

United States
Circuit Court of Appeals

For the Ninth Circuit.

Vol
2140

F. G. WHITE,

Appellant.

vs.

B. J. BRADNER, as Receiver for Lake View Oil
and Refining Company, OIL WELL SUPPLY CO.,
and A. D. MITCHELL,

Appellees.

Transcript of Record

Upon Appeal from the District Court of the United
States for the Southern District of California,
Central Division.

FILED

AUG 5 - 1939

PAUL P. O'BRIEN,
CLERK



United States
Circuit Court of Appeals
For the Ninth Circuit.

F. G. WHITE,

Appellant.

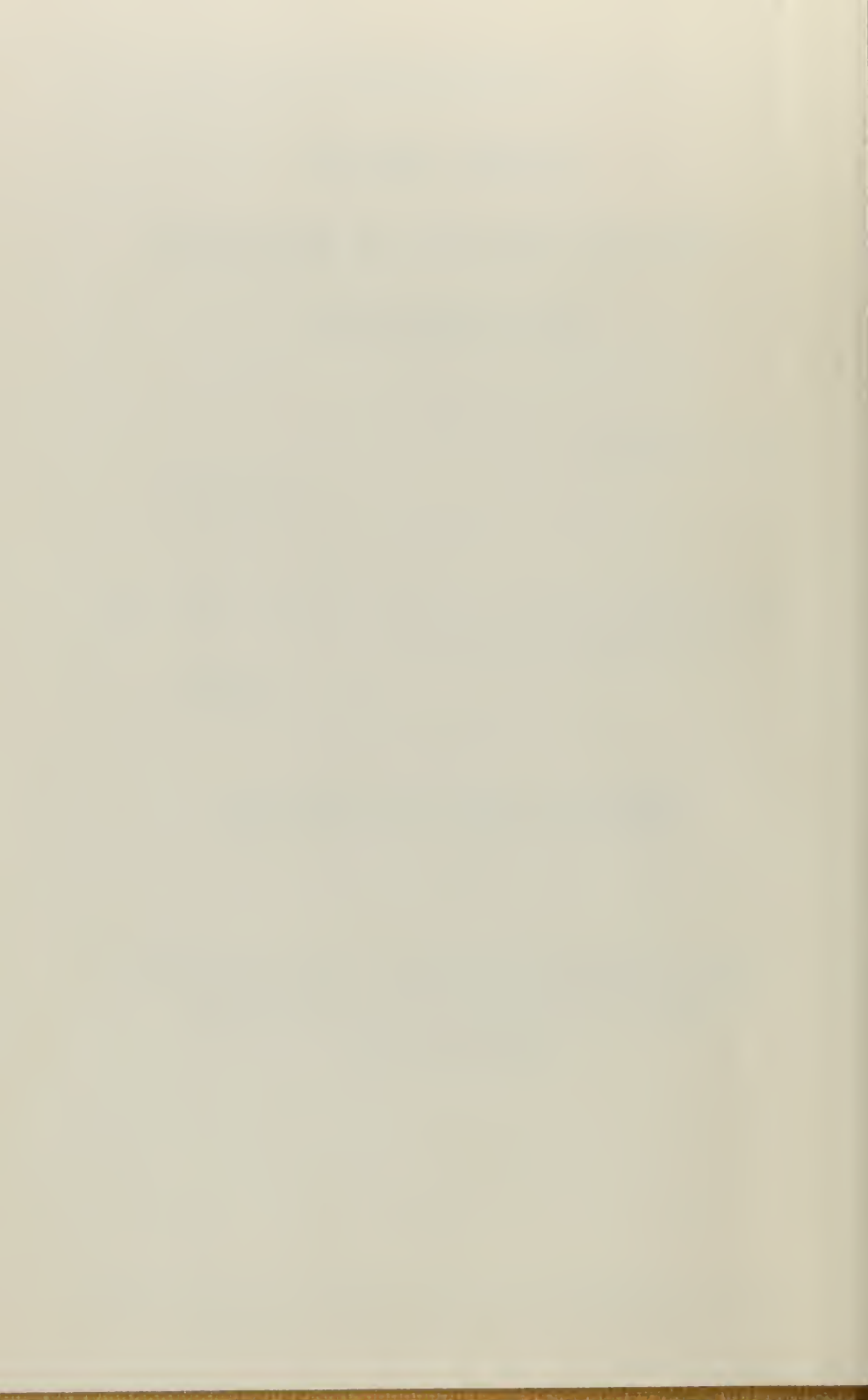
vs.

B. J. BRADNER, as Receiver for Lake View Oil
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Appellee.

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States for the Southern District of California,
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[Clerk's Note: When deemed likely to be of an important nature, errors or doubtful matters appearing in the original certified record are printed literally in italic; and, likewise, cancelled matter appearing in the original certified record is printed and cancelled herein accordingly. When possible, an omission from the text is indicated by printing in italic the two words between which the omission seems to occur.]

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Los Angeles, California. [1*]

In the United States District Court, Southern District of California, Central Division.

In Equity—No. T-121-J.

NORA L. POWERS, et al.,

Complainants,

vs.

LAKE VIEW OIL AND REFINING COMPANY, a corporation,

Defendant.

*Page numbering appearing at the foot of page of original certified Transcript of Record.

VALUATION
LAKEVIEW OIL & REFINING COMPANY
PRODUCTION EQUIPMENT AND REFINERY

April 7, 1937 [10]

RALPH J. REED

Member American Society of Civil Engineers
Member American Society of Mechanical Engineers
Edison Building
601 West Fifth Street
Los Angeles

April 7, 1937

Mr. Paul J. Hisey,
Receiver for Lake View Oil and Refining Company,
609 South Grand Avenue,
Los Angeles, California.

Dear Sir:

The following report is a valuation of the physical assets of Lake View Oil and Refining Company located upon its leased properties near Maricopa, California, named and described as follows:

Title Insurance and Trust Company Lease

NW $\frac{1}{4}$ of Sec. 4, T 11 N., R. 23 W., S.B.M., known in your operations as the Interstate, Pat Welch, Lake View (Pentland) and International properties.

Midway Fields Lease

NW $\frac{1}{4}$ of SW $\frac{1}{4}$ and W $\frac{1}{2}$ of W $\frac{1}{2}$ of NE $\frac{1}{4}$ of SW $\frac{1}{4}$ Sec. 4, T. 11 N., R. 23 W., S.B.M.

El Dora Lease

(U. S. Oil and Gas Lease "Los Angeles" 033378)
S $\frac{1}{2}$ of NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Sec. 32, T. 12 N., R. 23 W., S.B.M.

Smith Lease

(U. S. Oil and Gas Lease "Los Angeles" 034641)
Lot 7, Sec. 6, T. 11 N., R. 23 W., S.B.M.

These assets include production equipment at Pat Welch Well No. 44, Lake View Wells Nos. 1, 5, 7, 13, 17, and 19, International Wells Nos. 3, 4, 5, and 7, Midway Fields Wells Nos. 6, 12, and 16, and El Dora Wells Nos. 4, 6, and 8, with gathering and shipping pipe lines and tanks. They also include a small refinery, a boiler plant, a warehouse and office, and a machine shop located on the Pentland lease; [11] together with miscellaneous cottages and camp buildings on the Pentland and El Dora Leases, drilling equipment, warehouse stock and automotive equipment. Furniture in the Los Angeles office is also included. The properties were inspected on March 30, 1937. The physical assets described, which are in general those listed and described in my report to you dated June 10, 1931, are valued at their fair market value, not on the basis of salvage, but with the understanding that continuous operation of the properties for crude oil production is con-

templated, with provision for operation of the refinery at an economical rate.

PRODUCTION EQUIPMENT AND TANKS

Equipment at the wells consists generally of wooden derricks, rigged for pumping with gas engines, and for handling tubing and rods. These, with rods, tubing, and recoverable casing are the principal items of value.

PRODUCTION EQUIPMENT

Pat Welch Well No. 44 (not producing)

136' rotary derrick, 40 HP Western gas engine and accessories, Trumble gas trap.

Total Equipment\$ 425.00

Lake View Well No. 1

106' standard derrick, 40 HP Western gas engine and accessories, 2590' of 2½" upset tubing, 2590' of ¾" D & B rods, 2200' of 6¼" casing, 2200' of 4¾" casing.

Total Equipment 1,660.00

Lake View Well No. 5

106' standard derrick, 40 HP Western gas engine and accessories, 2560' of 2½" upset tubing, 2560' of ¾" D & B rods, 2550' of 8¼" casing.

Total Equipment 2,010.00

[12]

Lake View Well No. 7

106' standard derrick, 40 HP Western gas engine and accessories, 2838' of 2½" upset tubing, 2838' of ¾" Axelson and D & B rods, 2500' of 8¼" casing, 2550' of 6¼" casing, 2900' of 4½" casing.

Total Equipment 3,055.00

Lake View Well No. 13

106' standard derrick, 40 HP Western gas engine and accessories, 1860' of 2½" upset tubing, 578' of 3" straight tubing, 2440' of ¾" Axelson rods, 2200' of 8¼" casing.

Total Equipment 1,860.00

Lake View Well No. 17

106' standard derrick, 40 HP Western gas engine and accessories, 2400' of 8¼" casing, 2400' of 6¼" casing.

Total Equipment 1,935.00

Lake View Well No. 19

106' standard derrick, 40 HP Western gas engine and accessories, 2420' of 2½" upset tubing, 2420' of ¾" D & B rods, 2500' of 6¼" casing.

Total Equipment 1,440.00

International Well No. 3

106' standard derrick, 30 HP Union Tool Ideal gas engine and accessories, 2750' of 2½" upset tubing, 2750' of ¾" Axelson rods.

Total Equipment 900.00

International Well No. 4

106' standard derrick, 30 HP Union Tool Ideal gas engine and accessories, 3020' of 3" straight tubing, 3020' of ¾" Axelson rods.

Total Equipment 1,155.00

International Well No. 5

106' standard derrick, 30 HP Union Tool Ideal gas engine and accessories, 3250' of 2½" upset tubing, 3250' of ¾" Axelson rods.

Total Equipment 1,000.00

[13]

International Well No. 7 (not producing)

106' standard derrick, 30 HP Union Tool Ideal gas engine and accessories.

Total Equipment 255.00

Midway Fields No. 6

106' rotary derrick, 40 HP Western gas engine and accessories, 2650' of 2½" upset tubing, 2650' of ¾" D & B rods, Trumble gas trap, Oil heater.

Total Equipment 1,025.00

Midway Fields No. 12

122' rotary derrick, 40 HP Union Tool Ideal gas engine and accessories, 2932' of 2½" upset tubing, 2932' of ¾" Axelson rods.

Total Equipment 1,010.00

Midway Fields No. 16

122' rotary derrick, 40 HP Union Tool Ideal gas engine and accessories, 2590' of 2½" upset tubing, 2590' of ¾" API D & B rods.

Total Equipment 880.00

El Dora Well No. 4

116' standard derrick, 30 HP Superior gas engine and accessories, 2300' of 8¼" casing.

Total Equipment 1,290.00

El Dora Well No. 6

114' standard derrick, 30 HP Superior gas engine and accessories, 2500' of 3" tubing, 2500' of ¾" rods, 2350' of 8¼" casing, 2850' of 6¼" casing, 3000' 4½" casing.

Total Equipment 3,440.00

El Dora Well No. 8

112' IDECO steel derrick.

Total Equipment 535.00

TOTAL \$23,875.00

[14]

PRODUCTION TANKS

- 1—1000 bbl. tank, No. 45
 2—1100 bbl. tanks, Nos. 30, 31
 9—2000 bbl. tanks, Nos. U-1, U-2, 7, 8, 9, 10,
 1810, 1812, 1830
 Galvanized Iron or Bolted
- 1—2600 bbl. tank, No. 43
 1—2000 bbl. tank, No. U-5
 Riveted Steel

14 Tanks\$ 1,300.00

SUMMARY

Total Production Equipment.....\$23,875.00
 Production Tanks\$ 1,300.00

TOTAL\$25,175.00

PRODUCTION PIPE LINES

These include oil gathering and shipping lines with shipping pumps, and water, gas, and steam lines on the various leases. They do not include pipe lines in and around the refinery and from the refinery to the various loading racks.

LEASE LINES

Interstate Lease

2838' of 3", 693' of 4½" and 549' of 6" pipe
 line\$ 340.00

Pat Welch Lease

177' of 2", 607' of 2½", and 2036' of 3" pipe
 line\$ 150.00

Lake View Lease

2449' of 1", 1030' of 2", 5328' of 2½", and 674'
 of 3" pipe line.....\$ 520.00

International Lease

1875' of 2", 3078' of 2½", 2262' of 3", 180' of
 4", and 70' of 6" pipe line.....\$ 450.00

Midway Fields Lease

5025' of 2", 1875' of 2½", and 1800' of 3" pipe
line\$ 380.00
[15]

El Dora Lease

3819' of 2", 3206' of 2½", 2786' of 3", and
150' of 4¾" pipe line.....\$ 530.00

Smith Lease

1437' of 2½", and 685' of 3" pipe line.....\$ 105.00

SHIPPING LINES

El Dora

720' of 3", 1785' of 4" and 3087' of 4¾" pipe
line\$ 385.00

Alford Line

1650' of 3" pipe line.....\$ 100.00

Midway Gas Line

1680' of 2½", and 420' of 3" pipe line.....\$ 100.00

Total Lease Lines.....\$ 3,060.00

SHIPPING PUMPS

1—Trahern 3" gear pump with 6 HP gas engine

1—6"x5¾"x6" Blake-Knowles duplex pump

2—6"x4"x6" Worthington duplex pumps

1—6"x4"x6" Fairbanks-Morse duplex pump

1—10"x5"x12" Smith-Vaile duplex pump

1—7½"x4½"x12" Worthington duplex pump

1—2" American centrifugal (Fig. E45274)

belt-driven by 6 HP 220-V. Motor

2—10"x6"x12" Gardner duplex pumps

10 Pumps\$ 545.00

SUMMARY

Pipe Lines\$ 3,060.00
Pumps\$ 545.00
Total\$ 3,605.00

[16]

REFINERY

The company's refinery on the Lake View lease is a small skimming plant used for production of straight run gasoline for blending purposes, stove oil or kerosene distillate, diesel fuel, and fuel oil. Occasionally road oil is produced. Its maximum throughput capacity is from 1800 to 2000 barrels of crude per day. While the plant is in operating condition, little of its equipment is modern, and maintenance expenditures have been minimized. Run-down and storage tanks are old, generally in poor condition and a number of the flat and corrugated galvanized iron tanks have concrete bottoms.

A few changes have been made in the plant since it was inspected in 1931. These include replacement of one of the small tubular stills with a new one of similar type, but with a coil of 2½" tubing, the abandonment of the shell still formerly used, and the replacement of the 4' x 18' Southwestern fractionator with a 3' x 52' Southwestern fractionator purchased in 1933. Two 5' x 12' shells formerly used as dephlegmators are now in service as wash towers for gasoline treatment.

The refinery equipment is listed and valued as follows:

Stills

2—tubular stills, complete, one with 1920' of 2½" tubing in the coil, one with 2400' of 2½" tubing in the coil	
1—shell still, 6'6"x36', with setting) and stack)
1—abandoned tubular still) No value
	\$ 3,000.00

Heat Exchangers

2—"pipe line" type, 4'6"x16', and 5'6"x21'6"	\$ 1,000.00
--	-------------

Vapor Towers

1—8'x10" horizontal primary vaporizer	
1—6'x15" dephlegmator	
1—5'x20' Southwestern evaporator	
1—3'x52' Southwestern fractionator	\$ 1,950.00
	[17]

Condensers

1—1500 sq. ft.—3 section C.I. Southwestern	
2—1000 sq. ft.—2 section C.I. Southwestern	
1— 180 sq. ft.—1 section C.I. Southwestern	
1— 500 sq. ft.—1 section steel	"
1— 240 sq. ft.—1 section steel	" \$ 4,400.00

Cooling Tower

16'x24' cooling tower, 32' high, with concrete basin	\$ 300.00
--	-----------

Agitator

12'x18' agitator, with acid tank and blow case	\$ 500.00
Instruments, gages, etc.	\$ 250.00

Pumps

1—10"x6"x10" Worthington duplex pump	
3—6"x4"x6" Worthington duplex pumps	
1—7½"x7"x10" Worthington duplex pump	
1—5½"x5½"x7" Worthington duplex pump	
3—5¼"x3½"x5" Worthington duplex pumps	
1—4½"x2¾"x4" Worthington duplex pump	
1—3"x2"x3" Worthington duplex pump	
2—7"x4½"x10" Fairbanks-Morse duplex pumps	

- 1—6"x4"x6" Fairbanks-Morse duplex pump
- 1—7"x3"x8" Snow duplex pump
- 7—7"x4½"x10" Smith-Vaile duplex pump
- 1—10"x5"x12" Smith-Vaile duplex pump
- 1—6"x4"x6" Oil Well duplex pump
- 1—7½"x5"x6" Dow duplex pump
- 1—7"x4½"x10" Pratt duplex pump
- 1—5½"x3½"x7" Union duplex pump
- 2—4"x2½"x6" National duplex pumps
- 2—12"x6¾"x14" National duplex pumps
- 1—A.W.P. Gumbo Buster

—
26 duplex pumps\$1,380.00

- 1—2½" American centrifugal with
5 HP 220-V. motor
- 1—1½" centrifugal with 3 HP,
220-V. motor
- 1—5" Type L, Form E, Krogh cen-
trifugal with 6"x6" vertical
steam engine

[18]

—
3 centrifugal pumps\$ 310.00

\$ 1,690.00

Loading Racks

Gasoline loading rack, 200 barrel road oil tank
and loading rack, 20-spot car loading rack for
fuel oil and refined products on Sunset Western
Railroad Spur\$ 800.00

Buildings

10'x20' wood frame and corrugated iron labora-
tory, with equipment; 5'x8' wood frame and
corrugated iron gagers office, with equipment;
drinking water supply shed and tank.....\$ 100.00

Tankage

- 1—9'x30' surge tank
- 1—7'x23' surge tank
- 1—8'x8'x5' trap tank

2—5'x12' wash towers (old dephlegmators)

1—25 bbl. tank

3—50 bbl. tanks

1—100 bbl. tank

10 tanks\$ 675.00

3—100 bbl. tanks, Nos. 40, 41, 46

2—200 bbl. tanks, Nos. 43, 47

5—240 bbl. tanks, Nos. 20-24 incl.

2—500 bbl. tanks, Nos. 25, 26

6—1500 bbl. tanks, Nos. 1, 2, 3, 4, 5, 36

11—2000 bbl. tanks, Nos. U-3, U-4, 11,

12, 27, 28, 29, 32, 33, 34, 38

2—2500 bbl. tanks, Nos. 20, 21

6—2600 bbl. tanks, Nos. 2530,

2533 incl., 39, 40

37 galvanized iron or bolted tanks.....\$2,800.00

[19]

1—5000 bbl. tank, water seal roof,
old No. 22, now No. 14

1—8500 bbl. tank, water seal roof,
old No. 24, now No. 124

2—10,000 bbl. tanks, one open,
one wood roof, old Nos. 45, 46,
now Nos. 145, 146

4 riveted steel tanks.....\$1,350.00

\$ 4,825.00

Pipe Lines

Transfer lines within the refinery,
including loading rack lines.....\$ 2,750.00

Refinery and equipment.....\$21,565.00

BOILER PLANT

The boiler plant near the refinery on the Pentland lease consists of three 70 HP fire box boilers (2 O.W.S. Co. Nos. 3044-27 and 3046-28, and 1 Broderick No. 3012-31, maximum allowable operating pressure 150# per square inch) and two 225 HP water tube boilers of the Shipping Board type (Main Iron Works Nos. 1479-20 and 1480-20, maximum allowable working pressure 175# per square inch). The boilers are equipped with oil and with gas burners, and have water level controls. Auxiliary equipment consists of two feed water pumps, a 10" x 10" x 10" steam driven National Supply air compressor, a Cochrane feed water heater, and a home made heater, with a 100 barrel fuel oil tank, a 200 barrel fresh water tank, and a concrete hot well. The water tube boilers are housed in a 40' x 60' wood frame and corrugated iron building, and the fire box boilers in a 20' x 24' addition of similar construction.

A 10 KW, 120 Volt Fairbanks-Morse D.C. generator, belt-driven by a 20 HP vertical steam engine, installed in the boiler house, and formerly used to supply current for lighting, is not now operated. Purchased electric current is distributed to the refinery, the camp buildings, and the wells (except those in the El Dora and Smith leases) by an overhead distribution system supported on 20' cedar or redwood poles to which no value is now assigned.

Boiler Plant\$ 4,375.00

DRILLING EQUIPMENT AND TOOLS

The small assortment of old standard drilling tools, assembled on two platforms south of the warehouse, is considered of no value, and no value is assigned to a small assortment of roustabout tools. Old rotary drilling equipment on hand consists of the following:

2—#5C Ideal rotary draw works (1 at Pat Welch
44, 1 at El Dora 4)

2—10"x10" Ideal twin drilling engines (1 at Pat
Welch 44, 1 at El Dora 4)

2—Ideal rotary tables, complete (1 at Pat Welch
44, 1 at El Dora 4)

1—12"x12" Gumbo Buster drilling
engine

1—portable sand reel

1—10"x12" Ajax drilling engine

1—hoisting drum

1—14"x7"x18" Wilson Snyder mud
pump

2—12"x6 $\frac{3}{4}$ "x14" Ideal mud pumps

2—12"x6 $\frac{3}{4}$ "x12" Gardner mud pumps—at
El Dora 4

} at Pat Welch
44

Miscellaneous used fish tail and disc bits, slips,
elevators, reamers, subs, and casing tongs, on
racks at Pentland lease.

This equipment is second or third hand and is
valued at\$ 1900.00

Tubular goods on the racks consist principally of
2779'—3 $\frac{1}{2}$ " O.D. 11.2# drill pipe with 4 $\frac{1}{4}$ "x30'
drill stem

2700'—4 $\frac{1}{2}$ " O.D. 12.75# drill pipe

4290'—5 9/16" O.D. 22.2# drill pipe with
6"x52' drill stem

This drill pipe has seen considerable use and the
tool joints are in poor condition.

It is valued at.....\$ 3,100.00

Total drilling equipment.....\$ 5,000.00

WAREHOUSE-OFFICE-GARAGE,
MACHINE SHOP

A wood frame and corrugated iron building 22' x 80', with its floor four feet above the ground, provides office and warehouse space. "Lean-to" sheds on the west and north sides of the building furnish shelter for automobiles and trucks. The machine shop building is also a wood frame and corrugated iron structure, 24' x 100', with dirt floor, to which has been added a [21] 24' x 25' automobile repair shop, with concrete floor and pit. In addition to miscellaneous hand tools, it contains the following equipment, which, though old, is in fair operating condition and is in continuous use on repair and maintenance work.

- 1—18"x12' American lathe
- 1—18"x9' American lathe
- 1—20" Champion drill press
- 1—24" Aurora drill press
- 2—2 stone grinding wheels
- 1—5"x5" Rix vertical air compressor
- 2—Power hack saws
- 1—Type 3-G Smith and Mills shaper—20"
- 1—#36 Little Giant bolt threader, with dies
- 1—10½"x12" O.W.S. vertical steam engine
- 3—Parker vises
- 2—4'x4' gas treating furnaces
- 1—Type MP 101 Prestoweld stationary portable electric welding machine
- 1—Oxweld acetylene welding torch, tips and hose
- 1—Prestoweld acetylene cutting torch
- 1—Size S Black and Becker electric drill
- 1—VE Buffalo forge and blower

1—24" Star drill machine blower	
1—Type MP 101 Prestoweld 60 cu. ft. acetylene generator	
Office-warehouse, garage building, including office furniture	\$1,350.00
Machine shop and equipment.....	\$2,350.00
	<hr/>
	\$ 3,700.00

BUILDINGS

All buildings of any particular value other than those previously noted are listed below. Living quarters on the Pentland lease, and on the El Dora lease, are included, together with the shop building, garage and boiler house on the latter lease. The houses are light frame structures of the California type, and, except for the Fisher and Perrizo houses, not in very good repair.

Pentland Lease

Cottage 24'x26' (Fisher)	
Cottage (Formerly Directors')	
Cottage (Dower)	
Cottage (Perrizo)	
3 small garages	
Pentland Lease houses.....	\$ 1,200.00
	[22]

El Dora Lease

Office 10'x20'	
Cottage 14'x40'	
Cottage 14'x40'	
Cottage 12'x48'	
Garage 18'x50'	
Shop 18'x50') Wood frame and	
Boiler house 32'x50') corrugated iron	
El Dora Lease buildings.....	\$ 500.00
	<hr/>
	\$ 1,700.00

WAREHOUSE STOCK

The miscellaneous current warehouse stock, which includes cement, clay, sulphuric acid and other chemicals, valves, fittings, engine repair parts, brass condenser tubes, etc., together with 3 small second hand Southwestern condensers in the yard is valued at\$ 750.00

AUTOMOTIVE EQUIPMENT

Make and Type	Engine No.	First Sold
Ford truck (Model T).....	8754340	1924
Ford Sport Coupe.....	A2609494	1929
Ford pick-up.....	A2333543	1929
Chevrolet truck (Flat body).....	T2738662	1931
Chevrolet truck (Tank).....	T3830090	1933
Cadillac Victoria.....	M-57-J-63	1919
Cadillac Victoria.....	63-H-899	1924
Moreland Truck (1½ ton).....	12983	1923
Pike Trailer.....	Factory No. 394	1922
Total value of automotive equipment.....		\$1,010.00

LOS ANGELES OFFICE EQUIPMENT

Safe cabinet, desks, chairs, typewriters, adding machine, Marchant calculator and miscellaneous equipment in Rooms 512 and 513, Edwards and Wildey Building, Los Angeles\$ 550.00

SUMMARY

Production Equipment and Tanks.....	\$25,175.00
Production Pipe Lines.....	3,605.00
Refinery	21,565.00
Boiler Plant	4,375.00
Drilling Equipment	5,000.00
Warehouse and Machine Shop	3,700.00
Buildings	1,700.00
Warehouse Stock	750.00
Automotive Equipment	1,010.00
Los Angeles Office Equipment	550.00
	<hr/>
Total	\$67,430.00

Very truly yours,

RALPH J. REED.

[Seal] Registered Civil Engineer Ralph J. Reed.
No. 1689, State of California. [24]

[Endorsed]: Filed Apr. 17, 1937. R. S. Zimmerman,
Clerk, by Murray E. Wire, Deputy Clerk. [25]

APPRAISAL

of the

Underground Reserves of the
LAKE VIEW OIL & REFINING COMPANY

as of April 1, 1937

By GLEN M. RUBY and
A. A. CURTICE. [27]

INTRODUCTION

At the request of Mr. Paul Hisey, Receiver, the following appraisal of the underground reserves of the Lake View Oil and Refining Company has been made. The purpose of the appraisal is to determine the fair market value of the reserves as of April 1, 1937.

The results of the appraisal are herewith respectfully submitted.

GLEN M. RUBY,
A. A. CURTICE. [29]

SUMMARY OF APPRAISAL

Producing Properties

Estimated Gross Future Production of Oil.....	384,130 bbls.
Estimated Net Future Production of Oil.....	336,140 bbls.
Gross Value of Estimated Net Production.....	\$307,290.00
Net Value of Estimated Net Production.....	72,090.00

Present Worth	\$56,310.00
Value of Deep Zone Prospects of Properties on Thirty-five Anticline	26,200.00
Value of Elk Hills Lease.....	9,000.00
Total Value	\$91,510.00

[30]

LOCATION

All of the properties but one are located on or near the Thirty-five anticline in the southwest portion of the San Joaquin Valley, in Kern County, California. The other property is located in the Elk Hill district, also in Kern County.

Following is a list and description of the properties:

Name of Property	Description	Acreage
Pentland)		
International)	Comprise N.W.¼, Sec. 4, T11N-R23W.....	160
Pat Welch)		
Midway Fields	N.W.¼ of S.W.¼ and Westerly 10 acres of N.E.¼ of S.W.¼, Sec. 4, T11N- R23W.	50
El Doda 32	S.½ of N.W.¼ of S.E.¼, Sec. 32, T12N- R23W.	20
El Dora 6	N½ of S.E.¼ of N.W.¼ and 12 acres from N½ of S.W.¼ of N.W.¼, Sec. 6, T11N-R23W	32
Elk Hills	N.W.¼ and W½ of N.E.¼ and N.½ of S.W.¼ and S.W.¼ of S.W.¼ of Sec. 8, T31S-R25E	360
Total acreage		622

GEOLOGY AND PRODUCING HORIZONS

The subject of the geology and producing horizons of the Thirty-five anticline is thoroughly covered in the following publications:

(1) Summary of Operations of California Oil Fields, Volume 9, No. 5, issued by the California State Mining Bureau. Article entitled, "Report on Southeastern portion of Thirty-five Anticline, Sunset Oil Field, Kern County, California," by W. A. Copp and H. A. Godde.

(2) Summary of Operations of California Oil Fields, Volume 12, No. 11. Article entitled, "Development of the Maricopa [31] Shale Production in

the Southeastern Portion of Thirty-five Anticline, Sunset Oil Field, Kern County, California," by H. A. Godde and E. H. Musser.

The Thirty-five anticline is a southeasterly plunging fold, which is slightly asymmetric with the steeper flank on the southwest side. It has a core of Maricopa shale, with its included sandy phases, which is of the Upper Miocene age. The Maricopa formation is overlain unconformably by the less consolidated sands and shales of the McKittrick formation, the lower portion of which is equivalent to the Etchegoin formation of Pliocene age.

Down the flanks of the fold and also down the plunge, the Maricopa formation lies in contact with progressively lower phases of the McKittrick formation, which wedge in or buttress against the shale.

There are six producing oil zones in the McKittrick formation. From the top down, they are: (1) Top Oil Zone, which has a thickness of from 50 to 70 feet; (2) Kinsey Oil Zone, thickness 175 to 205 feet; (3) Wilhelm Oil Zone, thickness 130 to 170 feet; (4) Gusher Oil Zone, thickness about 90 feet; (5) Calitroleum Oil Zone, thickness up to 110 feet, and (6) Buttress Oil Zone, maximum thickness probably not over 50 feet.

The latter two zones pinch out southeast of the center of Section 4, T 11 N-R 23 W and are not present under the properties of the Lake View Oil and Refining Company except on the flanks of the

structure where they are non-oil-bearing. [32]

There are intermediate water sands between the Top Oil Zone and the Kinsey Oil Zone and between the latter and the Wilhelm Zone.

Attempts to develop production from the Maricopa formation have been hazardous undertakings. The horizons from which commercial production has been obtained are limited in area and diverse as to stratigraphic position and lithologic character. The sandy phases are lenticular and more tightly compacted than the sands in the overlying McKittrick formation. Much of the oil comes from fractured zones in the shale.

There are three small areas in which commercial production has been obtained from the Maricopa Shale. The first one lies in the vicinity of Well No. 16 of the Standard Oil Company in Section 31, T 12 N-R 23 W. In this area the production comes from a thin zone of sandy shale and fractured shale less than 75 feet below the top of the Maricopa formation.

The second area is in the vicinity of the Obispo Oil Company property in the southwest quarter of Section 32, of the same township. In this area, the oil comes from a horizon of shale with thin stringers of sand, which occurs between 1000 and 1100 feet below the top of the Maricopa. It is difficult to correlate from well to well, and the rates of production vary greatly from location to location.

The third area is in the north half of Section 10, [33] T 11 N-R 23 W, where lenses of sand occur in the upper 300 to 400 feet of the Maricopa formation.

The maximum penetration of the Maricopa shale was made in Well No. 5-A of the Pacific Oil Company in Section 32, T 12 N-R 23 W, which encountered the top of the formation at 2977 feet, and reached a total depth of 4848 feet. Although showings were encountered in this well at various depths, tests made at various levels failed to obtain commercial production.

Messrs. Godde and Musser make the following statements in their article referred to above, "After reviewing the history of development in the Maricopa shale, it is evident that drilling for oil from this source is expensive and very uncertain. It is expensive for the reason that in some areas there are one or more productive overlying zones that require careful protection. It is uncertain due to the lack of uniform distribution of the productive pools, to the lack of marker beds which makes correlation extremely difficult, and to the occurrence of oil in fractured shale. The latter statement is of great importance, as heretofore practically all production from the Thirty-five anticline has come from sand strata.

"A study of Plate I indicates that all wells producing from the Maricopa shale are located on or near the axis of the Maricopa shale high. The

most prolific wells have been drilled near the change in trend of the structure from an [34] eastward to a southeastward direction. Hence it appears that the best locations for future prospecting in the Maricopa shale would be along the axis of the structure in the southeast quarter of Section 31 and the southwest quarter of Section 32. There are also good possibilities in the northeast quarter of Section 6 and the northwest quarter of Section 5."

BRIEF HISTORY OF DEVELOPMENT

Development on the properties of the Lake View Oil and Refining Company started in the early days of the field prior to 1914. On May 10, 1914, Well No. 1 of the Lake View No. 2 Oil Company (the predecessor of the Lake View Oil and Refining Company) blew wild and produced an estimated quantity of 6,000,000 barrels of oil between that date and October 15, 1914, when it stopped flowing.

During the early days, the properties were held under separate ownership by various oil companies. Most of the development was done prior to the formation of the Lake View Oil and Refining Company.

As the successively deeper zones of the Thirty-five anticline were discovered, sporadic development took place on most of the properties. A total of forty-six wells were drilled on the leases. Thirty-one of these wells have been abandoned, three are idle and twelve are producing at the present time.

During the early stages of development, the various [35] producing zones were inaccurately defined in many cases and intermediate waters were not shut off. Infiltration of intermediate water and the natural encroachment of edgewater, as the oil was withdrawn, have resulted in the flooding of all of the producing horizons. The percentage of water produced by the wells of the Lake View Oil and Refining Company in February 1937 varied from 68 to 95 percent. The average was 84.6

At least three wells on these leases were drilled into the Maricopa shale. In 1922, Pentland No. 15 was drilled to a depth of 3615 feet, having encountered the top of the Maricopa at 3009 feet. The 6 $\frac{1}{4}$ -inch casing was cemented at 2833 feet and the well was bailed dry, practically no fluid entering the hole.

In 1925, Mr. F. M. Smith, trustee, drilled Well No. 8 on the El Dora lease in Section 32, to a depth of 4718 feet, having encountered the top of the Maricopa at 3212 feet. The drill pipe twisted off at 3793 feet. No production was obtained from tests made between the depth of 3425 and 3600 feet.

In March 1931, Pat Welch No. 44 was completed in the upper Maricopa shale at a depth of 4205 feet. The 6 $\frac{5}{8}$ inch water string was cemented at 3962 feet which is approximately the top of the Maricopa. The well started producing at the rate of 120 barrels of 23-gravity oil per day. Within a year the water content had increased to over 90 percent. The [36] well produced a total of 22,156

barrels of oil up to the time it was shut down in March 1934. During that month, it produced at the rate of 9 barrels per day which is below the economic limit for a well of that depth.

Recent development in the zones above the Maricopa shale include the drilling of Midway Fields No. 16 to the Kinsey zone and the deepening of Midway Fields No. 6 to the same zone. The former well was completed in June 1930 with an initial production of 150 barrels of 24-gravity oil per day and a cut of 10 percent.

In February 1937, this well produced at the rate of 29 barrels per day with a cut of 86 percent. The well has produced a total of 140,606 barrels to date.

Midway Fields No. 6, formerly a Top Zone producer, was deepened to the Kinsey Zone and completed in March 1933 with an initial production of 200 barrels of 21-gravity oil per day and a cut of 0.5 percent. A year later the cut was increased to 53 percent. In February 1937, the well produced at a rate of 3.3 barrels per day with a cut of 68 percent. The total production from the date of re-completion to the present is 74,714 barrels.

METHOD OF APPRAISAL

Both zone-decline and individual-well-decline curves were used in estimating the future production of the wells on these properties. The only de-

velopment work contemplated in this appraisal includes the re-perforating of Wells Nos. [37] 4 and 8 on the El Dora lease in Section 32, and the re-conditioning of Midway Fields No. 6. The work on the El Dora wells is in the process of being done, while the re-conditioning of Midway Fields No. 6 is definitely planned. After a short period of flush production, it is believed that these wells will settle to the average of neighboring wells in the same zones.

Two of the wells, Pentland Nos. 5 and 13 are producing below the economic limit. However, it is considered necessary to continue producing these wells in order to hold down the water content in nearby producers.

Due to the state of declined production rate, the condition of water-flooding of all of the known zones and the rapid contact between wells in the same zone, it is believed by the writers of this report that the drilling of new wells on the properties now producing is not justified. Therefore no additional development is contemplated in this appraisal.

All of the leases are producing on the minimum royalty basis of $12\frac{1}{2}$ percent.

Present prices were used in calculating the gross value of estimated future production.

Production expense, including general overhead and taxes was estimated at \$225. per well per month.

The net value of future production was discounted to present worth at 10 percent, using the discount factor prepared by the Bureau of Internal Revenue for the use of the oil industry. [38]

EL DORA, SECTION 6

The El Dora property in Section 6 lies a short distance north of the easterly plunging Phoenix syncline which forms the structural depression between the Thirty-five anticline and the Maricopa flat monocline. The Gibson sand, which has accounted for most of the production on the Maricopa Flat, does not extend as far northwest as the El Dora property.

The El Dora Oil Company drilled a well in the northwest corner of the property in 1923. This well was drilled to a depth of 2298 feet with the 4 $\frac{3}{4}$ -inch water string cemented at 2108 feet. The well came in in March 1923 with an initial production of 46 barrels of 19-gravity oil per day, and a cut of 2 percent. In September 1926, the derrick caught fire and burned down and the well has been off production since. At that time, it was producing at the rate of 20 barrels per day with a cut of 5 percent.

Within the last year several attempts have been made to develop production on neighboring properties. Well No. 2 on the E. L. Blanck property north of the El Dora was drilled to a depth of 1765 feet and was abandoned in January 1937 after failing to obtain production.

In May 1936, the Bankline Oil Company took over the La Blanc No. 8 well just south of the El Dora leases. This well had been drilled to a depth of 2417 feet by the Republic Petroleum Company in 1922. The 10-inch casing had been cemented at 2417 feet and had never been drilled out. The Bankline drilled out the cement and cored continuously from 2423 feet. [39] The Maricopa shale was encountered at 2910 feet and no oil was found in the upper 100 feet of the Maricopa. The only showings logged were from 2578-2583, 2596-2600m, 2749-2755, 2834-2836 and 2907-2909 feet. These showings were only present as 3-inch to 8-inch stringers of sand in the horizons listed. The company did not consider the showings sufficient to justify a production test and has *the* plugged the well with cement preparatory to abandonment.

The writers of this report do not believe that development of this property is justified.

DEEP ZONE PROSPECTS

Up to the present time, no well on the Thirty-five anticline has penetrated the Temblor and Vaqueros formations of lower Miocene age, which probably underlie the Maricopa shale. These formations include the principal producing zones of the Coalinga, Kettleman Hills and North Belridge oil fields.

The Standard Oil Company drilled a deep test on the Mascot property south of Taft. The well was

drilled to a depth of 9505 feet and penetrated most of the Temblor formation. The Temblor at this locality is reported to have been mostly shale with minor amounts of sand. It is apparently non-productive.

It is believed that the Temblor formation would be encountered below 8000 feet in the vicinity of the properties of the Lake View Oil and Refining Company. While the prospects of obtaining production from formations underlying the Maricopa in this area is not too bright, the writers consider that \$100. [40] per acre is a fair speculative value for possible deep zone development under these leases.

ELK HILLS LEASE

The 360-acre Government lease on Section 8, T 31 S-R 25 E lies at the southeasterly end of the Elk Hills. This property is definitely outside the limits of the productive area of the present-known zones in the Elk Hills oil field. It is also too far northwest to have a chance of being included in the Buena Vista Lake gas field.

The Standard Oil Company drilled KCL No. 128 to a depth of around 8400 feet without reaching the Temblor formation. Apparently the producing horizon in the new Ten Sections oil field to the east is not present as an oil zone under Elk Hills. The Standard well was more favorably located, from a structural standpoint, than is the property of the Lake View Oil and Refining Company. This property is given a value of \$25. per acre. [41]

LAKE VIEW OIL & REFINING COMPANY
(Past Production since January, 1930)

	Well No.	1930	1931	1932	1933	1934	1935	1936	1937 2 mos.	Totals	Per cent Cut	Gravity	
Pentland	1	5407	6176	4430	4803	6165	4871	4489	570	35911	75	24.0°	
	5	26686	14897	10326	4704	2645	2243	1803	318	63622	95	24.2°	
	7	5396	4951	7235	6406	8801	7426	6364	1142	47721	82	24.1°	
	13	6206	5166	5670	4486	2670	2589	2313	350	29450	92	24.3°	
	17	3990	(8 mo.) Shut Down							3990			
	19	29576	24871	25784	17491	14968	12765	10847	1965	136267	69	23.1°	
International	3	7093	(8 mo.) 7183	4925	4605	4118	3394	2966	513	34797	95	23.4°	
	4	6154	(8 mo.) 7303	4716	4737	6659	5238	5060	767	40634	69	23.3°	
	5	5998	(8 mo.) 7341	4525	4554	7617	6897	6803	1058	44793	88	23.4°	
	7	2885	(5 mo.) 5414	3785	4012	2973	3125	748	(4 mo.) Shut Down	22942	75	23.1°	
Midway Fields	6				44383	(10 mo.) 19484	7263	3379	215	74714	68	21.2°	
	12	23243	20521	13817	8542	4923	4895	4803	482	81231	60	23.9°	
	16	29286	(7 mo.) 32547	21170	14379	15138	16382	11107	1596	140605	86	23.8°	
Pat Welch	44		12694	(10 mo.) 5014	3684	764	(3 mo.) Shut Down			22156	90	23.0°	
El Dora	6	7716	4674	4788	5759	6343	5388	4731	652	40051	75	22.8°	
Totals		159641	152738	116185	132545	103268	81466	65413	9628	820884			

APPRAISAL OF UNDERGROUND RESERVES
LAKE VIEW OIL & REFINING COMPANY
AS OF APRIL 1, 1937

By Glen M. Ruby and A. A. Curtice.

ESTIMATED GROSS FUTURE PRODUCTION OF OIL

Year	Pentland	Inter-national	Midway Fields	El Dora	Totals
1	(3) 19490	(3) 13640	(3) 18600	(3) 13290	65020
2	17700	(3) 12630	17010	12540	59880
3	16190	(2) 9230	15610	11850	52880
4	14900	8640	14440	11280	49260
5	13830	8150	13410		35390
6	12900	7720	12510		33130
7	12090	7340	11770		31200
8	11390	7020	11050		29460
9	11730	6740	10440		27910
Totals	129220	81110	124840	48960	384130

ESTIMATED NET FUTURE PRODUCTION OF OIL

Pentland	Inter-national	Midway Fields	El Dora	Totals
17050	11840	16280	11630	56900
15490	11050	14880	10970	52390
14170	8080	13660	10370	46280
13040	7560	12630	9870	43100
12100	7130	11730		30960
11290	6760	10950		29000
10580	6420	10300		27300
9970	6140	9670		25780
9390	5900	9140		24430
113080	70980	109240	42840	336140

[43]

APPRAISAL OF UNDERGROUND RESERVES
LAKE VIEW OIL & REFINING COMPANY
AS OF APRIL 1, 1937

By Glen M. Ruby and A. A. Curtice.

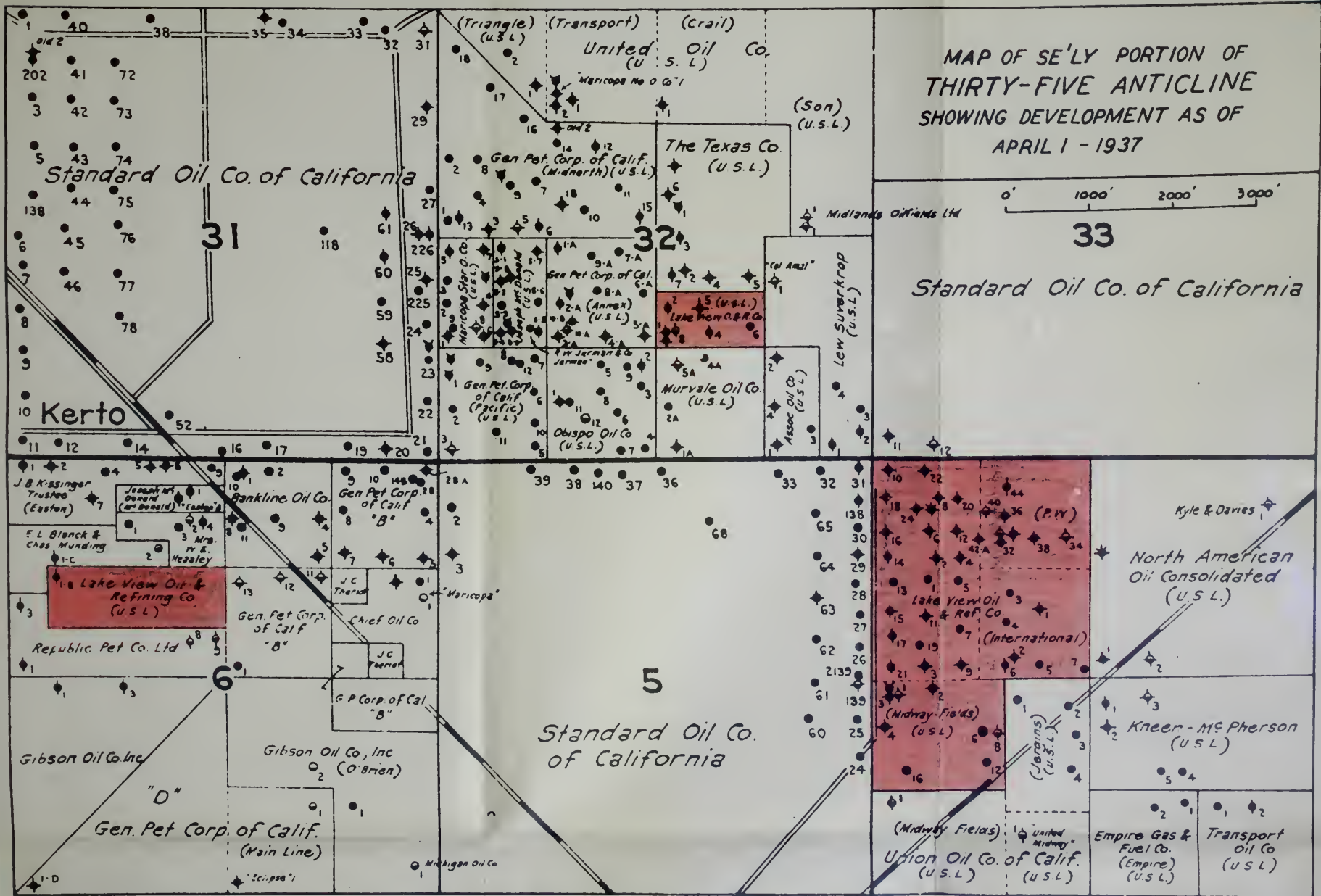
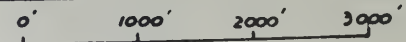
GROSS VALUE OF EXPECTED NET FUTURE PRODUCTION
OF OIL

Year	Pentland	Inter-national	Midway Fields	El Dora	Totals	DEDUCTIONS			Net Value	Present Worth			
						Remedial Expense	Operating Expense						
1	\$ 16130	\$10980	\$14590	\$10120	\$ 51820	\$3000	\$ 32400		\$16420	\$15660			
2	14650	10170	13330	9540	47690		32400		15290	13260			
3	13400	7430	12220	9020	42070		29700		12370	9750			
4	12350	6960	11300	8590	39200		29700		9500	6810			
5	11460	6560	10480		28500		21600		6900	4490			
6	10700	6220	9760		26680		21600		5080	3010			
7	10030	5910	9190		25130		21600		3530	1900			
8	9460	5650	8630		23740		21600		2140	1050			
9	8900	5430	8130		22460		21600		860	380			
Totals \$107080						\$65310	\$97630	\$37270	\$307290	\$3000	\$232200	\$72090	\$56310

Present Worth of Underground Reserves of Producing Properties\$56,310

[44]

MAP OF SE'LY PORTION OF THIRTY-FIVE ANTICLINE SHOWING DEVELOPMENT AS OF APRIL 1 - 1937



Standard Oil Co. of California

31

Kerto

United Oil Co. (U.S.L.)

(Son) (U.S.L.)

The Texas Co. (U.S.L.)

Gen. Pet. Corp. of Calif. (Midworth) (U.S.L.)

32

Standard Oil Co. of California

33

J.B. Kisinger Trustee (Easton)

Jessie M. Donald (Mrs. Donald)

Frankline Oil Co.

Gen. Pet. Corp. of Calif. 'B'

Gen. Pet. Corp. of Calif. 'B'

Lake View Oil & Refining Co. (U.S.L.)

Gen. Pet. Corp. of Calif. 'B'

Chief Oil Co.

J.C. Turner

5

Standard Oil Co. of California

Gibson Oil Co. Inc.

Gibson Oil Co., Inc. (O'Brien)

"D"

Gen. Pet. Corp. of Calif. (Main Line)

M. H. Gibson Oil Co.

Lake View Oil & Ref. Co. (International)

North American Oil Consolidated (U.S.L.)

Kneer - McPherson (U.S.L.)

(Midway Fields) (U.S.L.)

(Gardens) (U.S.L.)

Union Oil Co. of Calif. (U.S.L.)

Empire Gas & Fuel Co. (Empire) (U.S.L.)

Transport Oil Co. (U.S.L.)

(Midway Fields)

United Midway (U.S.L.)

Empire Gas & Fuel Co. (U.S.L.)

Transport Oil Co. (U.S.L.)

(U.S.L.)

(U.S.L.)

(U.S.L.)

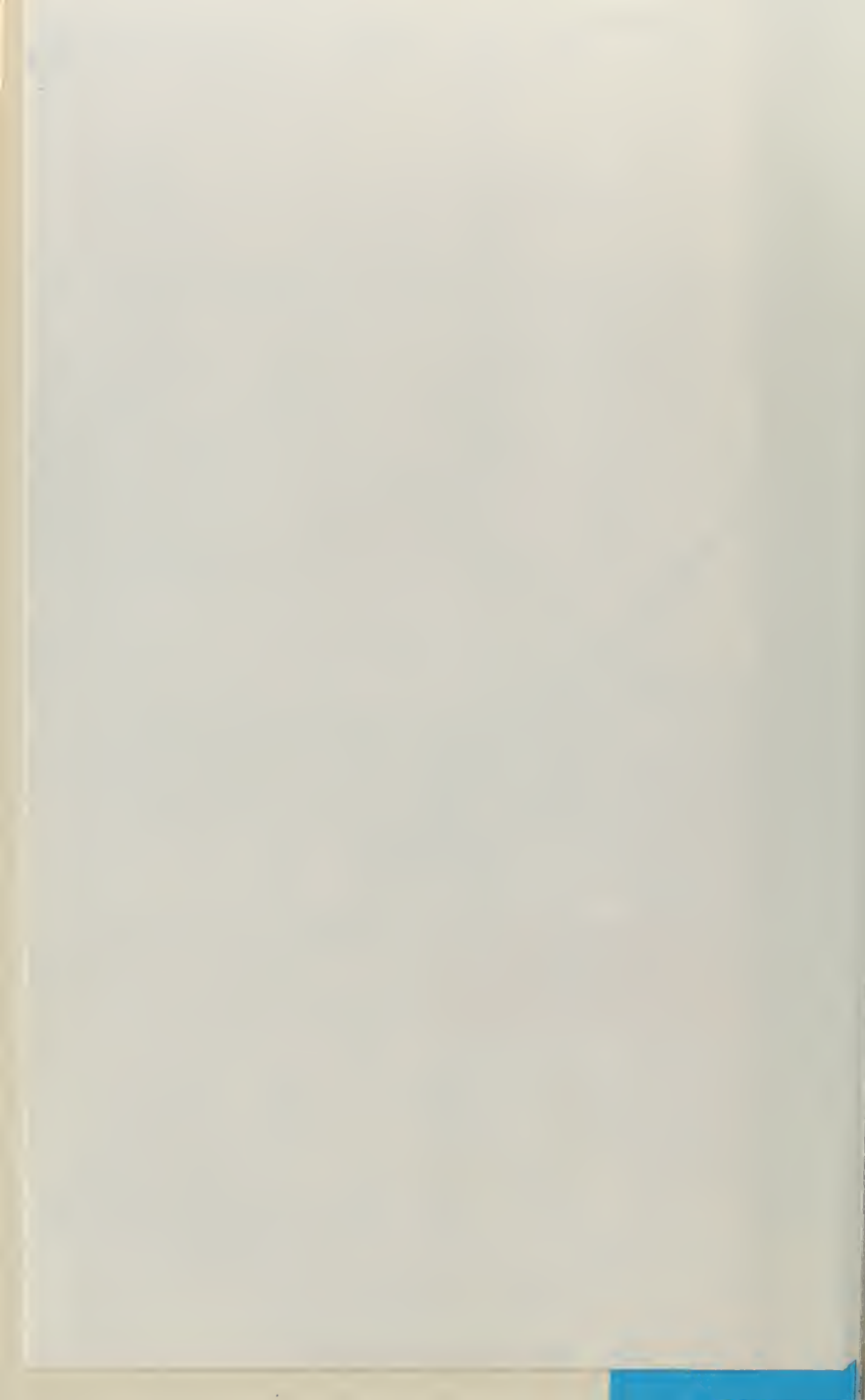
(U.S.L.)

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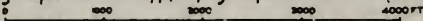
(U.S.L.)

(U.S.L.)



MAP
of a portion of
THIRTY-FIVE ANTICLINE · SUNSET OIL FIELD
KERN COUNTY, CALIFORNIA
SHOWING
CONTOURS OF TOP OF TOP OIL SANDS

Accompanying Report of W.W. Copp, Deputy Supervisor & H.A. Godde, Engineer

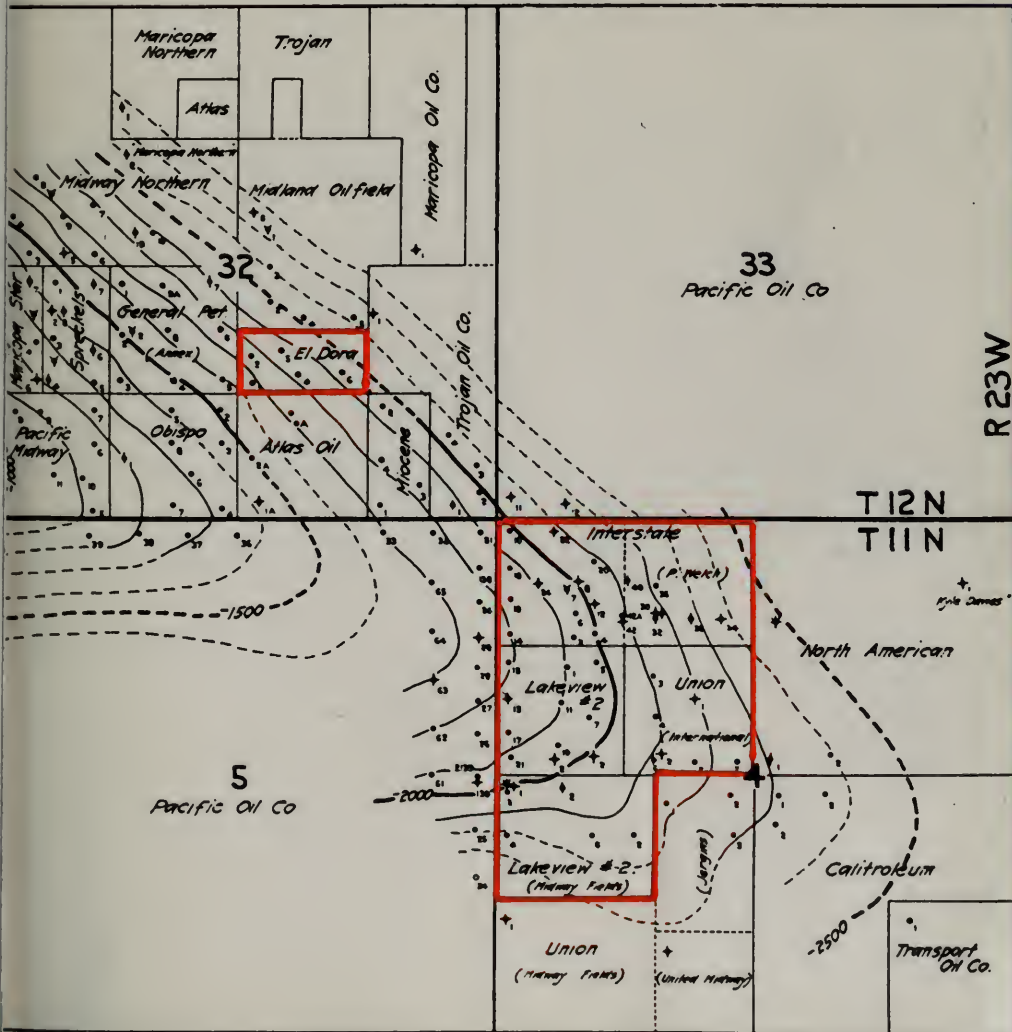


CALIFORNIA STATE MINING BUREAU
R. D. BUSH
STATE OIL & GAS SUPERVISOR

Contour interval 100 feet

LEGEND

- ◊ Uncompleted - drilling
- ◊ Uncompleted - idle
- ◊ Uncompleted - abandoned
- Completed - producing
- Completed - idle
- Completed - abandoned
- ▽ Water
- * Water - abandoned



MAP of a portion of THIRTY-FIVE ANTICLINE · SUNSET OIL FIELD KERN COUNTY CALIFORNIA

SHOWING SUBSURFACE CONTOURS OF TOP OF KINSEY OIL SAND

Accompanying Report of W.W. Copp, Deputy Supervisor & M.A. Godde, Engineer

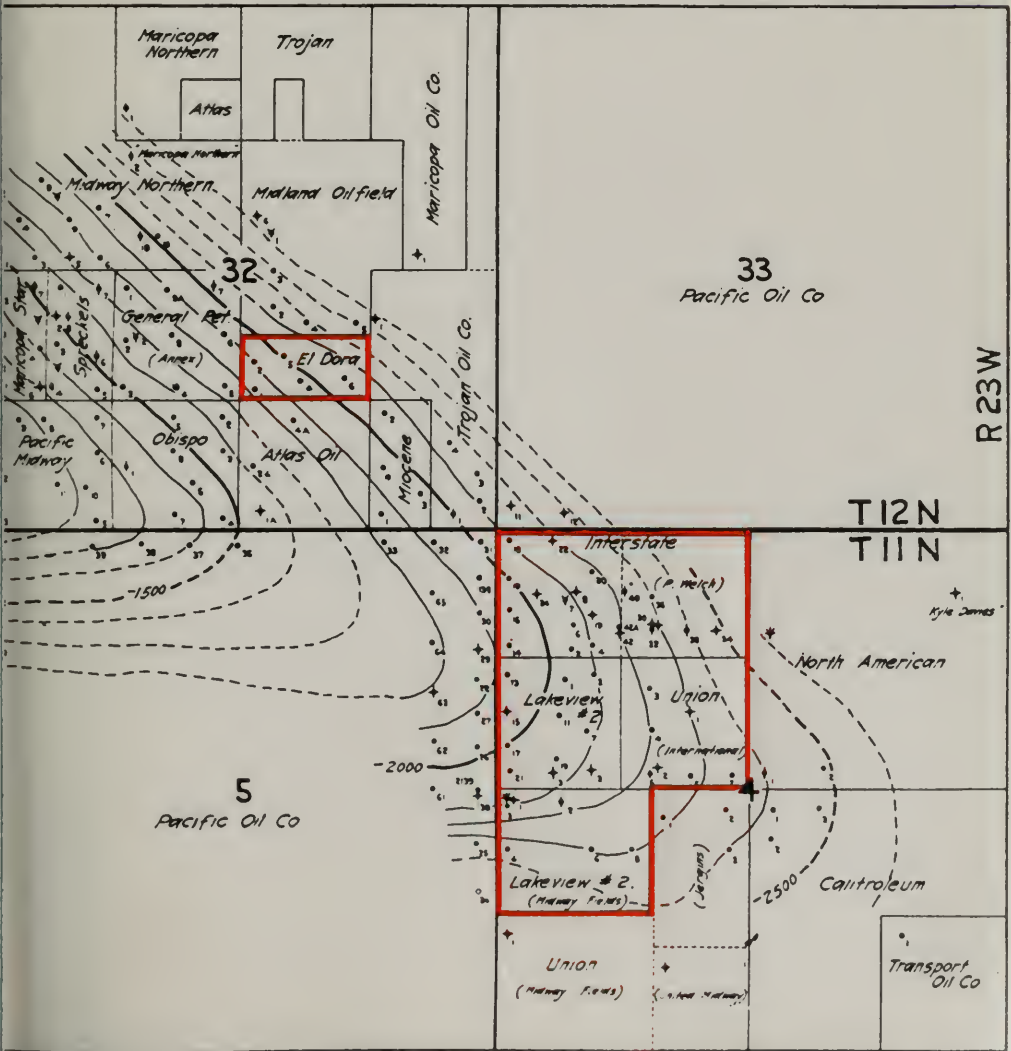


CALIFORNIA STATE MINING BUREAU
R D BUSH
STATE OIL & GAS SUPERVISOR

Contour interval 100 feet.

• LEGEND •

- Uncompleted - drilling
- ◊ Uncompleted - idle
- ◆ Uncompleted - abandoned
- ♦ Completed - producing
- ◇ Completed - idle
- ✦ Completed - abandoned
- ▼ Water
- ✱ Water - abandoned



MAP
 of a portion of
THIRTY-FIVE ANTICLINE · SUNSET OIL FIELD
 KERN COUNTY, CALIFORNIA
 showing
**SUBSURFACE CONTOURS OF
 TOP OF WILHELM OIL SANDS**

38

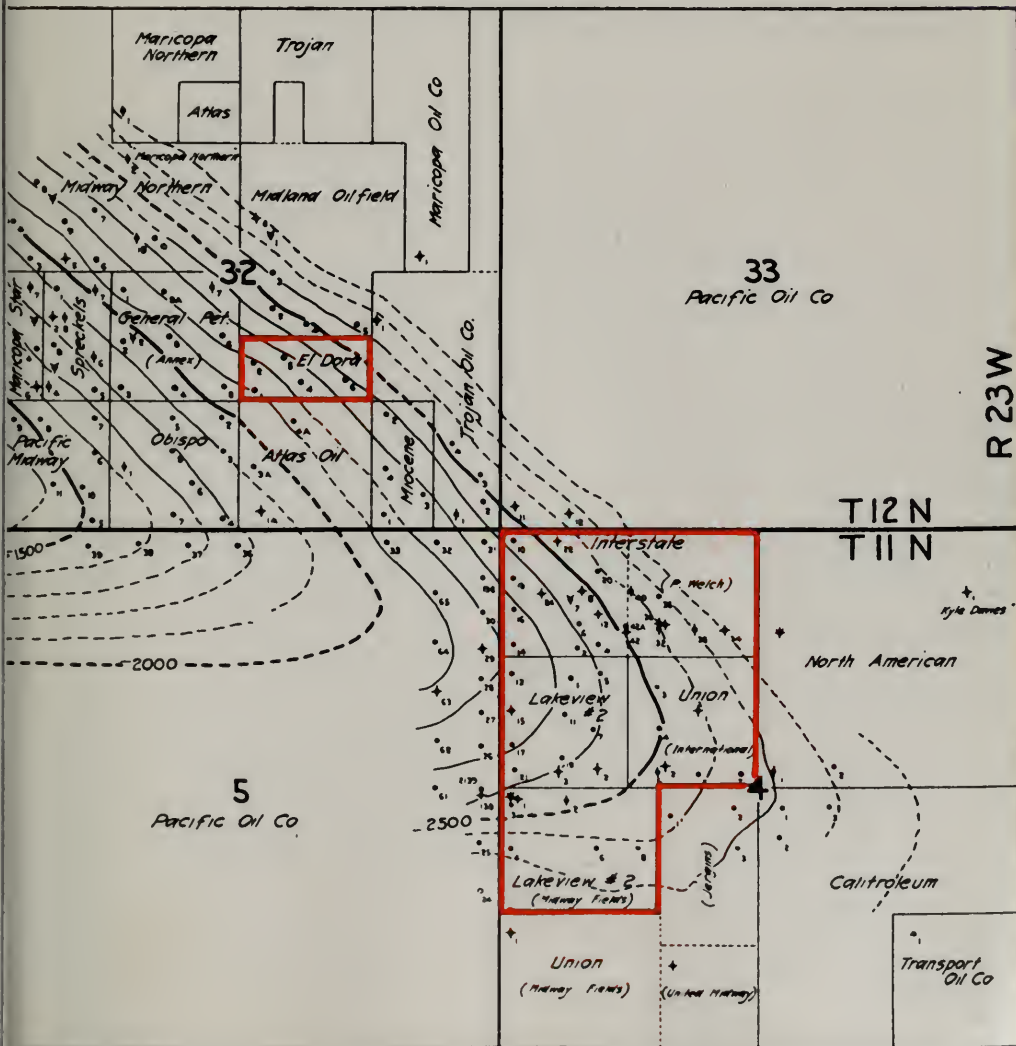
Accompanying Report of W.W.Copp, Deputy Supervisor & H.A.Godde, Engineer

CALIFORNIA STATE MINING BUREAU
 R D BUSH
 STATE OIL & GAS SUPERVISOR

Contour interval 100 feet

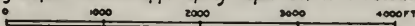
LEGEND

- Uncompleted - drilling
- ◊ Uncompleted - idle
- ✦ Uncompleted - abandoned
- ◆ Completed - producing
- ◊ Completed - idle
- ✦ Completed - abandoned
- ▼ Water
- ✱ Water - abandoned



MAP
of a portion of
THIRTY-FIVE ANTICLINE · SUNSET OIL FIELD
KERN COUNTY, CALIFORNIA.
SHOWING
SUBSURFACE CONTOURS OF TOP OF GUSHER OIL SANDS

Accompanying Report of W.W. Copp, Deputy Supervisor & H.A. Godde, Engineer

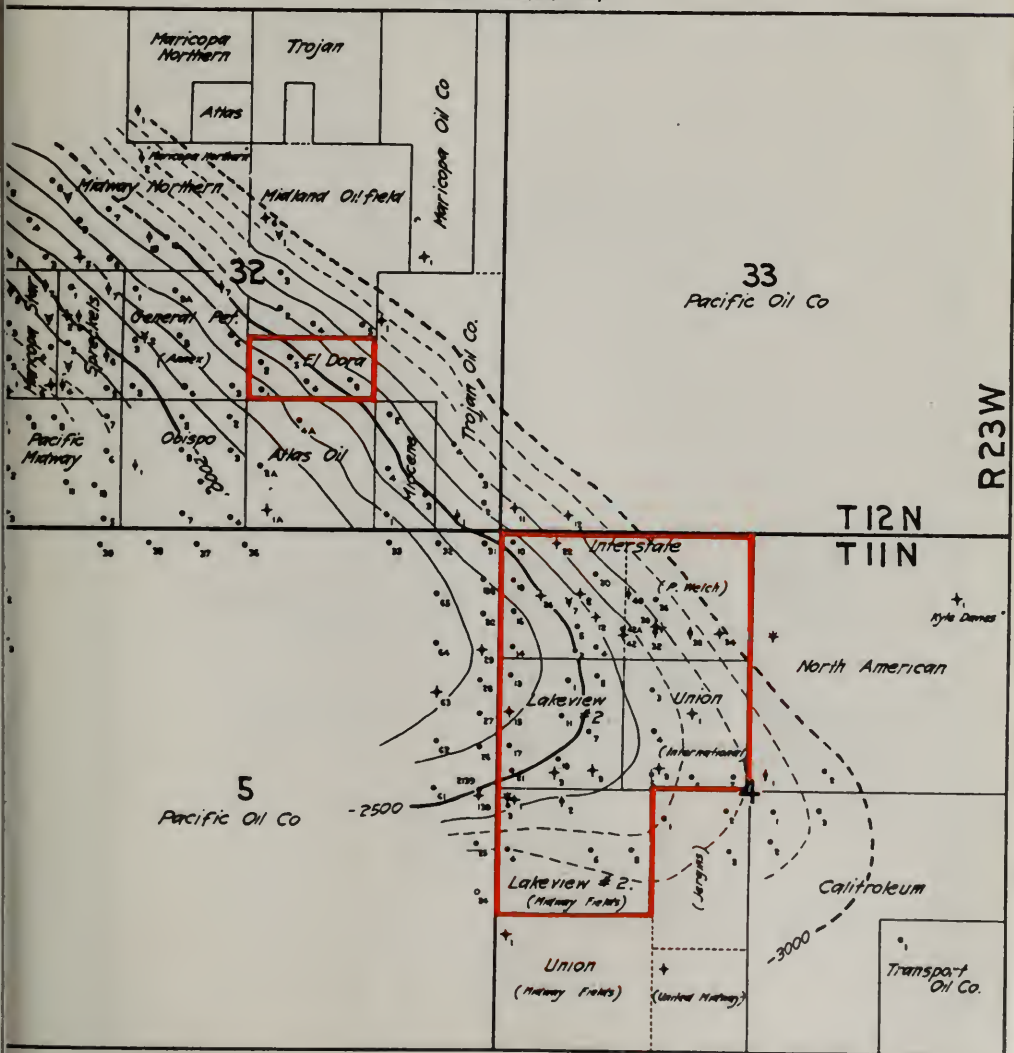


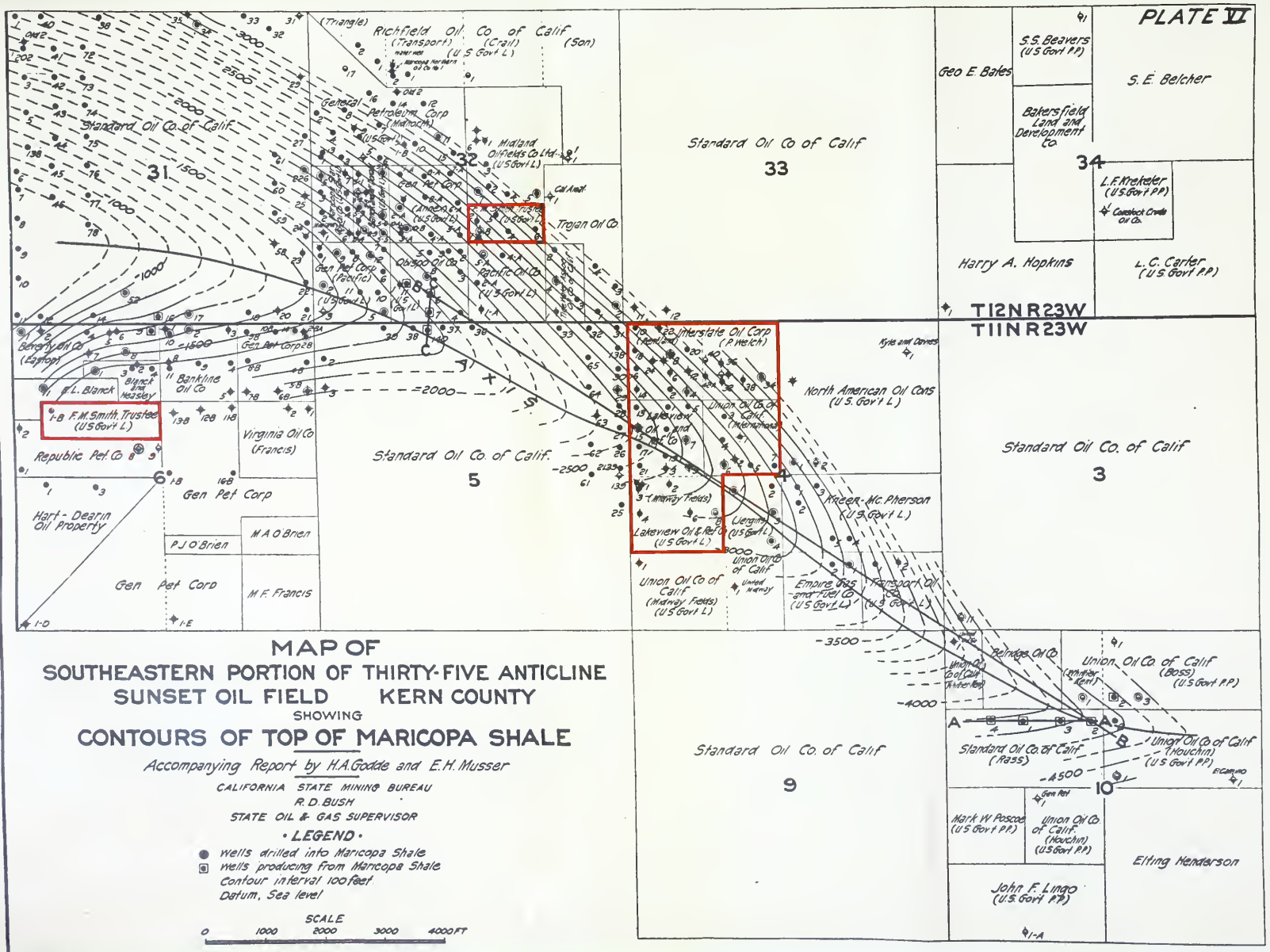
CALIFORNIA STATE MINING BUREAU
R. D. BUSH
STATE OIL & GAS SUPERVISOR

Contour interval 100 feet.

· LEGEND ·

- Uncompleted - drilling
- ◇ Uncompleted - 1946
- ◇ Uncompleted - abandoned
- Completed - producing
- Completed - 1946
- ◇ Completed - abandoned
- ▽ Water
- * Water - abandoned





Geo E. Bates

S.S. Beavers (U.S. Gov't PP)

Bakersfield Land and Development Co

34

L.F. Kreider (U.S. Gov't PP)

Coastal Crude Oil Co.

Harry A. Hopkins

L.C. Carter (U.S. Gov't PP)

T12NR23W

T11NR23W

Standard Oil Co. of Calif.

3

North American Oil Cons (U.S. Gov't L)

Interstate Oil Corp (U.S. Gov't L)

Union Oil Co. of Calif. (U.S. Gov't L)

Kreier, Mc. Pherson (U.S. Gov't L)

Lakeview Oil & Ref Co (U.S. Gov't L)

Union Oil Co. of Calif. (U.S. Gov't L)

Empire Gas and Fuel Co (U.S. Gov't L)

Standard Oil Co. of Calif.

9

Union Oil Co. of Calif. (U.S. Gov't PP)

Union Oil Co. of Calif. (Boss) (U.S. Gov't PP)

Standard Oil Co. of Calif. (Pass)

Union Oil Co. of Calif. (Houchin) (U.S. Gov't PP)

10

John W. Poscoe (U.S. Gov't PP)

Union Oil Co. of Calif. (Houchin) (U.S. Gov't PP)

John F. Linggo (U.S. Gov't PP)

Eiting Henderson

91-A

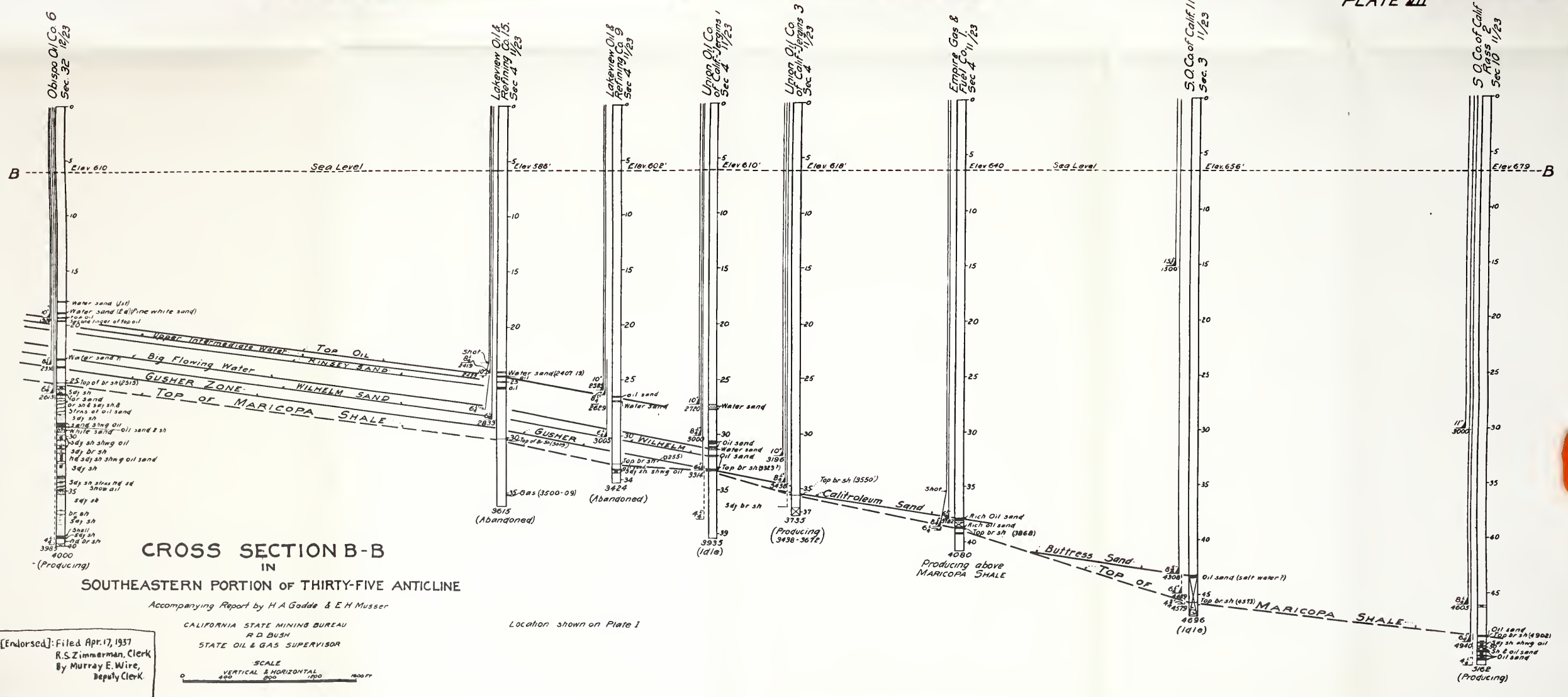
**MAP OF
SOUTHEASTERN PORTION OF THIRTY-FIVE ANTICLINE
SUNSET OIL FIELD KERN COUNTY
SHOWING
CONTOURS OF TOP OF MARICOPA SHALE**

Accompanying Report by H.A. Godde and E.H. Musser

CALIFORNIA STATE MINING BUREAU
R.D. BUSH
STATE OIL & GAS SUPERVISOR

- **LEGEND**
- Wells drilled into Maricopa Shale
 - Wells producing from Maricopa Shale
- Contour interval 100 feet
Datum, Sea level





CROSS SECTION B-B
 IN
SOUTHEASTERN PORTION OF THIRTY-FIVE ANTICLINE

Accompanying Report by H.A. Godde & E.H. Musser

CALIFORNIA STATE MINING BUREAU
 R.D. BUSH
 STATE OIL & GAS SUPERVISOR

Location shown on Plate I

[Endorsed]: Filed Apr. 17, 1937
 R.S. Zimmerman, Clerk
 By Murray E. Wire,
 Deputy Clerk

SCALE
 VERTICAL & HORIZONTAL
 1" = 1000 FT

AUDIT
of
THOMSON, COOPER & THOMSON
May 8, 1931 to May 1, 1938.

PAUL J. HISEY, RECEIVER FOR
LAKE VIEW OIL AND REFINING
COMPANY

Los Angeles—April 30, 1938 [60]

June Third, 1938

Mr. B. J. Bradner, Receiver for
Lake View Oil and Refining Company
Los Angeles, California

Dear Sir:

We have examined the accounts of Paul J. Hisey, Receiver for the Lake View Oil and Refining Company for the twelve months ended April 30, 1938. This report with previous annual reports covers the period of approximately seven years from May 8, 1931 to April 30, 1938.

HISTORY

Effective May 8, 1931, Paul J. Hisey was appointed Receiver for the Lake View Oil and Refining Company, by the District Court of the United States. The accounts of the Receiver were established in accordance with an audit report made as of May 7, 1931, which was based on the appraised value of the Assets and the total of the

accepted Liabilities of the Company as at that date.

Paul J. Hisey died April 27, 1938 and B. J. Bradner was appointed Receiver by the court on April 29, 1938. The new Receiver took over the financial affairs of the institution as of April 30, 1938.

CURRENT FINANCIAL CONDITION

The current financial condition of the Receivership at April 30, 1938, subject to further court decisions, is summarized as follows:

Current Assets

Cash on Hand and on Deposit.....	46,699.22	
Less: Current Liabilities of Receiver.....	13,312.04	

Net		33,387.18
Accounts Receivable	11,934.31	
Crude Oil and Refinery Products in Storage	8,705.59	

		20,639.90

Total		<u>54,027.06</u>

Liabilities of Lake View Oil and Refining Company

Total stated as at May 7, 1931.....		341,930.63
Additional Claims allowed.....		16,175.61

		358,106.24
Payments made on Preferred Claims.....	57,841.11	
Less Payment Returned.....	1,949.77	

		55,891.34
Claims cancelled, adjusted or offset against Receivables	2,664.99	

		58,556.33

		299,549.91

Payments out of Midway Fields Lease Production, made to Trustee for Guarantors on Notes Payable.....	50,000.00
Payments on Acceptances of Sunland Refining Corporation, made by the Receiver for that Company direct to the holders of the Discounted Ac- ceptances	10,123.85
Dividends to General Creditors Novem- ber, 1936, and September, 1937.....	26,059.50
	<hr/>
	86,183.35
	<hr/>
Total—April 30, 1938.....	213,366.56
	<hr/> <hr/>

[61]

The total of the general claims as stated above includes an amount of \$10,000.00 representing claims recently allowed as due to H. H. Bell, \$6,000.00 and G. L. Aynesworth \$4,000.00. These claims were allowed in settlement of a claim made by J. L. Coats.

Contingent Liabilities Not Included Above

The Current Liabilities of the Receiver as stated above do not include an amount of \$78,034.49 which represents the Contingent Joint Venture interest of John H. Fisher in the production from certain wells. The payment of this amount has been disallowed by decision of the United States Circuit Court of Appeals, and it has been recorded as a liability held in suspense pending final settlement with other creditors.

A lessor's claim, recently filed, for additional royalty in the amount of \$5,149.68 covering a pe-

riod from 1928 to 1938 has not yet been investigated and has not been accepted or approved.

Contingent Liabilities are further commented upon in a subsequent section of this report.

RESULT OF OPERATIONS

The operations of the Receiver for the period of approximately seven years ended April 30, 1938 have resulted in a Net Revenue of \$181,339.59 before providing for Receiver's Fees, Depreciation, Depletion or Joint Venture Expense.

Allowances to the Receiver against his ultimate fee through a drawing account, have not been included in the operating results shown above. The amount of the ultimate fee has not been determined and the amount of the drawing account as allowed by the Court has been charged directly to the Receivership Capital Account.

RECEIVERSHIP CAPITAL

The Receivership Capital, being the excess of Assets at appraised values over accepted Liabilities at May 7, 1931 was \$1,028,311.48.

This amount has been increased by the Net Revenue as stated in the preceding section of this report \$181,339.59 and has been reduced by net adjustments on old Accounts and additional claims \$3,273.32, charges for Receiver's Drawing Account \$28,094.92, Depreciation and Depletion \$264,438.59, and Contingent Joint Venture Expense \$78,034.49,

leaving a Receivership Capital at April 30, 1938 of \$835,809.75.

A further analysis of the Receivership Capital Account follows:

Capital Stock Outstanding May 7, 1931 (991,286 Shares)	600,694.76
Capital Surplus from Appreciation of Leaseholds	2,069,700.91
	<hr/>
	2,670,395.67
Operating Deficit—May 7, 1931.....	431,339.72
	<hr/>
Total Recorded Capital—May 7, 1931.....	2,239,055.95
Reduction in Appreciated Value of Leaseholds	1,140,000.00
Net reduction in Valuation of Plant and Equipment and Accounts Re- ceivable and Payable.....	70,744.47
	<hr/>
	1,210,744.47
	<hr/>
Adjusted Capital Account—May 8, 1931.....	1,028,311.48
	[62]
Additional Losses on Accounts and Additional Claims Allowed.....	20,079.21
Collections and Adjustments on Old Accounts	16,805.89
	<hr/>
	3,273.32
Depreciation, Depletion and Joint Venture Expense May 8, 1931, to April 30, 1938.....	342,473.08
	<hr/>
	345,746.40
	<hr/>
	682,565.08

Operating Revenue (Exclusive of above items) May 8, 1931, to April 30, 1938	181,339.59
Less: Receiver's Drawing Account	28,094.92
	<hr/>
	153,244.67
Receivership Capital—April 30, 1938.....	835,809.75
	<hr/> <hr/>

SCOPE OF EXAMINATION

Our examinations have not constituted complete detailed audits, but have been sufficiently comprehensive to satisfy us as to the substantial accuracy of the Receiver's general accounts.

The records of Receipts and Disbursements have been carefully reviewed and with the exception of minor items all supporting vouchers and invoices have been inspected. Comprehensive tests have been made of the compilation of the record of products produced, purchased and disposed of and some few tests have been made of the supporting records submitted by the field office.

The following comments amplify certain items appearing on the accompanying Balance Sheet, Schedule A, and will serve to further indicate the scope of the examination.

Except as specifically stated in this report, debtors and creditors have not been requested to confirm the balances in their accounts.

CASH AND BANK ACCOUNTS

The Revolving Fund of \$19.34 in the General Office was counted.

Bank balances, including Payroll, Petty Cash revolving funds, General Commercial Accounts and Dividend account, totaling \$46,679.88, were reconciled with the amounts shown on the banks' statements which were confirmed by certificates from the depositaries.

Recorded Cash Receipts have been deposited in Banks and Disbursements were evidenced by paid checks and/or vouchers on file.

The record of Disbursements has been carefully reviewed and in our opinion all expenditures have been for proper purposes.

ACCOUNTS AND NOTE RECEIVABLE—
RECEIVER

The Accounts Receivable of the Receiver, which were considered good and collectible at April 30, 1938, amounted to \$11,934.31. [63]

A summary of these accounts as to date of billing follows:

Date of Billing	Amount
April 1938.....	\$10,466.17
March 1938.....	1,084.90
February 1938.....	138.30
January 1938.....	244.94
	<hr/>
	<u>\$11,934.31</u>

During May 1938 and prior to the completion of this report \$11,530.60 had been collected, including all items dating prior to April.

ACCOUNTS AND ACCEPTANCES RECEIVABLE—LAKE VIEW OIL AND REFINING COMPANY

Accounts and Notes Receivable of the Lake View Oil and Refining Company, considered good at May 7, 1931 amounted to \$20,251.91. All these items have been collected with the exception of one Note for \$500.00, which was later transferred to Doubtful Accounts.

Accounts and Acceptances considered doubtful at May 7, 1931 totaled \$55,604.80. This amount has been increased by one Note previously considered good, \$500.00, and has been reduced by collections and credits on old accounts \$15,470.46 and the elimination of \$734.81 considered to be definitely uncollectible, leaving a total of \$39,899.53 in Doubtful Accounts and Acceptances due to the Lake View Oil and Refining Company at April 30, 1938.

The Doubtful Accounts and Acceptances include items due from the Sunland Refining Corporation, which has been in the hands of a receiver since 1931. The amount originally due from this Company at May 7, 1931 was \$52,574.77, which amount has been reduced by dividends aggregating \$14,575.99, leaving an uncollected balance at April 30, 1938 of \$37,998.78.

The Receiver for the Sunland Refining Corporation has proposed to make a payment of 25% of the remaining balance in final settlement. This proposal has been accepted by the Receiver for the Lake View Oil and Refining Company with the approval of the Court and subject to acceptance by other creditors of the Sunland Refining Corporation.

Since it does not appear possible to determine definitely what further amounts will be realized on these doubtful items at least within a reasonable time, a provision for possible loss of the entire amount of \$39,899.53 has been made, and they have not been included among the Net Assets of the Receiver.

INVENTORIES

Refinery Products and Crude Oil in storage at April 30, 1938 amounted to \$8,705.59. Quantities shown on the inventory were accepted as compiled by the field office. Refined products are priced at approximately ten per cent below recent selling prices, and Crude Oil is priced at listed field prices.

Tests made of gauge tickets and field office reports indicate that all products purchased and produced have been properly accounted for.

UNITED STATES GOVERNMENT BONDS

United States Bonds to the par value of \$13,000.00 are on deposit with the Fidelity and Deposit Company of Maryland as collateral in con-

nection with Surety Bonds issued to guarantee payment of Current Gasoline Taxes and Government Royalty. These securities are shown at cost of \$13,281.88, which is less than the approximate market value at April 30, 1938. This deposit was verified by direct communication from the office of the surety company. [64]

DEFERRED ACCOUNTS AND EXPENSES

An Account Receivable amounting to \$5,640.27 was reduced to judgment in the latter part of April 1938.

Unexpired Insurance Premiums, \$1,111.30, and Deferred Taxes, \$3,739.14, are believed to be correctly stated. An actual Inventory of Supplies was not available and the amount of \$1,150.00 recorded as being the estimated value of supplies constantly on hand has not been adjusted.

PROPERTY

Physical Property, including derricks, casing, tools, tanks, boilers, pipe lines, buildings, refinery and other equipment, Automobiles and Trucks and Office Equipment was valued as of May 7, 1931 at \$147,325.00 in accordance with an independent engineer's report. Net additions during the period of Receivership amounted to \$2,864.00, resulting in a total at April 30, 1938 of \$150,189.00.

The principal items of additions to property during the period consisted of the replacement of old Automobile Trucks, the construction of a retort

still in the refinery and the purchase and erection of a fractionator tower.

The total cost of additions was reduced by the disposition of old equipment.

The physical property has not been inspected by us.

PROVISION FOR DEPRECIATION

Provision has been made for depreciation of Physical Property in the amount of \$126,960.31, which has been computed at an average annual rate of 24% on Automobiles and Trucks and 12% on other property.

LEASEHOLDS—APPRAISED VALUE

Leaseholds which are stated at appraised values as of May 7, 1931, less depletion or amortization based on the number of barrels of oil produced during the period May 8, 1931 to April 30, 1938, are listed below:

Description	Net Valuation May 7, 1931	Depletion or Amortization	Net Valuation April 30, 1938
		May 8, 1931, to April 30, 1938	
Pentland	283,148.53	98,098.77	185,049.76
Pentland-Interstate	226,022.00	226,022.00
Union International.....	215,352.08	2,335.96	213,016.12
Pat Welch	52,620.25	3,834.61	48,785.64
Elk Hills (Not producing)	72,000.00	72,000.00
Midway Fields	86,375.47	14,858.72	71,516.75
El Dora	224,908.39	16,333.22	208,575.17
Total	1,160,426.72	135,461.28	1,024,965.44

The net valuations as at May 7, 1931 represent appraised valuations previously reported by geologists, less depletion computed to May 7, 1931.

The lessor of the Pentland, Pentland Interstate, Union International and Pat Welch Leases served notice on the Receiver that the drilling requirements provided for in the lease agreement had not been carried out. We are informed that the lessor has been restrained from enforcing forfeiture of the lease, by decision in the Federal Courts.

The Midway Fields Lease was assigned prior to the Receivership to a Trustee as partial security for the payment of Notes, Discounted Acceptances and Interest Payable to the amount of \$50,000.00. In accordance with an order from the Court, payments to the amount of \$50,000.00 have been made to the Trustee out of the proceeds from a portion of the oil produced on this lease, and the assignment has been released by the Trustee. [65]

LIABILITIES OF RECEIVER

Accounts Payable by the Receiver totaled \$6,356.46 at April 30, 1938 and represented the liability for current purchases of materials, supplies and services.

Accrued Payroll covering the last half of the month of April 1938 totaled \$1,160.45. Royalties based on the recorded production for the month of April 1938 amounted to \$633.82.

Taxes Payable totaling \$5,025.67 included the following items:

State Gasoline Tax (for last week of April, 1938).....	1,494.75
Federal Gasoline, Pipe Line and Production Tax (for the month of April, 1938).....	21.43
Kern County Taxes on property and leasehold in- terests (for 1938-39).....	3,205.23
State Sales Tax (for month of April, 1938).....	109.58
State and Federal Payroll Taxes (to and including April 30, 1938).....	194.68
	5,025.67

Dividends amounting to \$135.64 allocated to certain general creditors have not yet been paid and are withheld pending the settlement of liens. Cash funds to cover these dividends are on deposit in a separate bank account.

Insofar as ascertainable all known Liabilities of the Receiver at April 30, 1938 have been recorded and are included in this report.

LIABILITIES OF LAKE VIEW OIL AND REFINING COMPANY

General unsecured claims as accepted by the Receiver and remaining unpaid at April 30, 1938 aggregated \$213,366.56. Certain of these claims are subject to further comment.

Claims of sundry creditors, including Accounts, Notes and Acceptances and Acceptances Receivable Discounted, totaled \$66,898.73 at April 30, 1938.

Past due Notes and Discounted Acceptances Payable to the Citizens National Trust and Savings

Bank, with interest accrued totaled \$74,251.29 at May 7, 1931, and were partially secured by assignment of the Midway Fields Lease to a Trustee for the guarantors who guaranteed payment to the Bank up to the amount of \$50,000.00 In accordance with orders of the Court the net proceeds from a certain proportion of the oil produced on the Midway Fields Lease to the full amount of \$50,000.00 has been paid to the Trustee, and has been paid by the Trustee to the Bank to apply on these loans. The payment of this amount, the payment of dividends in November 1936 and September 1937 amounting to \$6,682.61 and payments totaling \$9,436.35 made direct to the bank by the Receiver for the Sunland Refining Corporation, to apply on Discounted Acceptances, have reduced the total of these obligations to the Bank at April 30, 1938 to \$8,132.33.

Payments applied on this account as stated above have been computed from records in the Receiver's office. Confirmation of the receipt of the payments and of the amount of the remaining balance was requested but was not received from this creditor. The amount of \$9,436.35 recorded as having been paid to apply on Discounted Acceptances has been verified by direct communication from the Receiver for the Sunland Refining Corporation.

A Note Payable to the Bank of America, with interest thereon, amounted to \$141,028.02 at May 7, 1931. The payment in November 1936 and September 1937 of dividends amounting to \$12,692.52

reduced the balance on this Note at April 30, 1938 to \$128,335.50. [66]

We have been informed that additional payments have been made to the Citizens National Trust and Savings Bank and to the Bank of America by other guarantors. Such payments are not of record in the accounts of the Receiver and are not considered in this report.

A judgment was rendered against the Receiver in the case of J. L. Coats' suit for alleged breach of contract. This judgment was reversed in the Appellate Court. In settlement of the claim of J. L. Coats and by court order, additional general claims were allowed in the amount of \$6,000.00 in favor of H. H. Bell and \$4,000.00 in favor of G. L. Aynsworth. The sum of these two claims, \$10,000.00, has been included in the total of the general claims as stated on the attached Balance Sheet.

During 1936 by court decision the amount of \$34,142.99 due the State of California for Gasoline Taxes at May 7, 1931, together with a 10% penalty of \$3,414.29 was determined to be a preferential claim. The total amount of \$37,557.28 has been paid in full by the Receiver.

Interest which may have accrued subsequent to May 7, 1931 on any of the above obligations has not been computed and is not included in this report.

LIABILITIES OF THE RECEIVER— HELD IN SUSPENSE

An amount of \$78,034.49 has been recorded as being the amount claimed by John H. Fisher to accrue to him from the proceeds of the oil produced from certain wells under the terms of Joint Venture Agreements. The right of Mr. Fisher to share in the oil produced has been disallowed by the United States Circuit Court of Appeals until other creditors are paid and the above amount is shown in this report as a Liability held in suspense pending a final settlement of other creditors' claims.

By order of the District Court and prior to the decision of the Court of Appeals there has been paid to Mr. Fisher the sum of \$4,339.45, being approximately one-half the amount called for under the terms of the Joint Venture Agreements. Of this amount \$1,949.77 accrued prior to May 7, 1931 and \$2,389.68 accrued subsequent to that date. The total of \$4,339.45 has been repaid to the Receiver by Mr. Fisher, and he has filed a claim as a general creditor for the full amount of \$3,985.46 which accrued to him prior to May 7, 1931. Through the payment in November 1936 and September 1937 of dividends amounting to \$358.69, the claim by Mr. Fisher as a general creditor has been reduced to \$3,626.77.

CONTINGENT LIABILITIES

The following Contingent Liabilities existed which are not included in the attached Balance Sheet, Schedule A.

A Joint Venture interest in the oil to be produced from certain wells is claimed by John H. Fisher. The total sum which may become payable to Mr. Fisher, after other creditors have been paid and providing sufficient oil is produced from the specific wells, amounted to \$203,015.18 at April 30, 1938. This sum is in addition to the amount of \$78,034.49 which is included in this report as a Liability held in suspense. The United States Circuit Court of Appeals has denied Mr. Fisher's right to share in the oil to be produced until after creditors are paid and therefor the total obligation is suspended pending final settlement of other creditors' claims.

Subsequent to April 30, 1938, but prior to the completion of this report a claim for additional royalty and interest thereon totaling \$5,149.68 and covering a period of approximately ten years was filed with the Receiver. This claim is under investigation and has not yet been allowed or approved.

CERTIFICATE

In our opinion, subject to the foregoing comments, the attached Balance Sheet, Schedule A, and Statement of Revenues and Expenses, Schedules B and C, correctly reflect respectively the financial condition at April 30, 1938 and the results of operations for the period of approximately seven years ended on that date of Paul J. Hisey, Receiver for the Lake View Oil and Refining Company. [67]

SCHEDULE A

PAUL J. HISEY, RECEIVER FOR
LAKE VIEW OIL AND REFINING COMPANY
Los Angeles

BALANCE SHEET, APRIL 30, 1938

ASSETS

Cash and Bank Accounts	
Office Cash	19.34
Bank of America—Maricopa.....	805.90
Citizens National Trust and Savings Bank	45,738.34
Citizens National Trust and Savings Bank Dividend Account (Contra)	135.64
	<hr/>
	46,699.22
Receivables	
Accounts Receivable of Receiver— Current	11,934.31
Accounts and Acceptances—Dating prior to May 8, 1931—Doubtful.....	39,899.53
Provision for Losses.....	39,899.53
	<hr/>
Inventories	
Refined Products	5,477.55
Crude Oil	3,228.04
	<hr/>
	8,705.59
	<hr/>
Total Current Assets.....	67,339.12
United States Government Bonds (at Cost)	13,281.88
(Deposited as collateral in connec- tion with Surety Bonds to secure payment of Gasoline Tax and Gov- ernment Royalty)	

Deferred Accounts and Expenses	
Account Receivable—Deferred	5,640.27
Unexpired Insurance Premiums.....	1,111.30
Deferred Taxes	3,739.14
Material and Supplies (estimated)....	1,150.00
Meter Deposit	67.00
	<hr/>
	11,707.71
Property	
Plant and Equipment.....	146,288.80
Automobiles and Trucks.....	3,260.20
Equipment—General Office	640.00
	<hr/>
	150,189.00
Provision for Depreciation.....	126,960.31
	<hr/>
	23,228.69
Leaseholds	
Leaseholds—Cost	265,413.28
Leaseholds—Appreciation	1,237,865.20
	<hr/>
	1,503,278.48
Provision for Depletion.....	478,313.04
	<hr/>
	1,024,965.44
	<hr/>
	1,140,522.84
	<hr/>

LIABILITIES

Current Liabilities of Receiver	
Accounts Payable	6,356.46
Accrued Payroll	1,160.45
Royalties Payable	633.82
Taxes Payable	5,025.67
Dividends Withheld (Contra).....	135.64
	<hr/>
	13,312.04
Liabilities of Lake View Oil and Refining Company (General Unsecured Claims as Accepted by Receiver)	
Accounts Payable	52,923.04

Notes, Acceptances and Interest.....	12,898.23	
Discounted Acceptances	1,077.46	
		<hr/>
		66,898.73
Citizens National Trust and Savings Bank		
Discounted Acceptances and In- terest	8,132.33	
Bank of America		
Note Payable and Interest.....	128,335.50	
H. H. Bell and G. L. Aynesworth.....	10,000.00	
		<hr/>
		213,366.56
		<hr/>
		226,678.60
Liability in Suspense		
John H. Fisher Joint Venture		
Agreements	78,034.49	
(Deferred by Court Order until general claims are liquidated)		
Receivership Capital (Schedule B).....	835,809.75	
		<hr/>
		1,140,522.84
		<hr/>

Note: Certain Contingent Liabilities exist which are not included above but are described on Page 7 of the attached report.

This Balance Sheet is part of a report dated June 3, 1938, prepared by Thomson, Cooper & Thomson, Certified Public Accountants, and is to be considered in connection therewith.

SCHEDULE B

PAUL J. HISEY, RECEIVER FOR
LAVE VIEW OIL AND REFINING COMPANY
Los Angeles

REVENUES AND EXPENSES,

MAY 7, 1931 TO APRIL 30, 1938

Sales—Refinery Products	2,431,188.16	
Less: Gasoline Taxes.....	668,890.35	
		1,762,297.81
Crude Oil Produced—Net (At Market)		502,072.38
		2,264,370.19
Gross Revenue		
Cost of Products Sold		
Refinery Products in Storage May 7, 1931	24,974.92	
Crude Oil Cost of Refinery Prod- ucts (Schedule C).....	1,383,327.39	
Operating Expenses (Schedule C) ...	486,732.10	
Royalty	66,266.35	
Cost of Motor Oil Purchased and Sold	1,305.91	
		1,962,606.67
Refinery Products in Storage — April 30, 1938	5,477.55	
		1,957,129.12
Total Cost of Products Sold.....		
Gross Profit		307,241.07
General Expenses (Schedule C).....		137,099.00
		170,142.07
Operating Profit		

Other Income		
Rentals—El Dora Surface Rights	3,800.00	
Rentals—Cottages	1,885.00	
Discount and Interest Earned	3,892.97	
Miscellaneous	2,015.22	
		<u>11,593.19</u>
Interest Paid	45.59	
		<u>11,547.60</u>
Net Other Income		11,547.60
Net Profit		181,689.67
Federal Income Tax—1933		350.08
		<u>181,339.59</u>
Net Revenues (Before providing for Receiver's Fees, Depreciation, Depletion or Joint Venture Expense)		181,339.59
Receivership Capital		
Balance May 7, 1931.....		1,028,311.48
Deduct: Additional Claims allowed and losses on accounts dating prior to Receivership	20,079.21	
Less: Collections and adjustments on accounts dating prior to Receivership	16,805.89	
		<u>3,273.32</u>
		1,025,038.16
Net Revenue (Above)	181,339.59	
Less: Receiver's Drawing Account	28,094.92	
		<u>153,244.67</u>
		1,178,282.83
Deduct: Depreciation	128,977.31	
Depletion of Leaseholds	135,461.28	
Joint Venture Expense.. ..	78,034.49	
		<u>342,473.08</u>
Balance—April 30, 1938 (Schedule A)		<u>835,809.75</u>

SCHEDULE C

PAUL J. HISEY, RECEIVER FOR
LAVE VIEW OIL AND REFINING COMPANY
Los Angeles

CRUDE OIL COST OF REFINERY PRODUCTS—OPERATING AND GENERAL EXPENSES, MAY 7, 1931 TO APRIL 30, 1938.

Crude Oil Cost of Refinery Products

Crude Oil in Storage—May 7, 1931.....	1,758.79
Production (At Market).....	502,072.38
Purchases—Crude Oil and Casing-head Gasoline	882,724.26

1,386,555.43

Crude Oil in Storage—April 30, 1938	3,228.04
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Total (Schedule B)..... 1,383,327.39

Operating Expenses

Superintendent	4,413.36
Lease Expense	44,721.11
Oil Well Expense	89,801.80
Oil and Pumping.....	52,121.80
Buildings	4,117.53
Pipe Lines	13,889.72
Tanks	999.59
Tools and Shop.....	4,219.67
Dehydrator	3,182.75
Warehouse Repairs	27.00
Power and Boiler Plant	23,776.22
Automobiles, Trucks and Outside Hauling	51,644.04
Refinery—Labor and Supplies	125,924.28
Laboratory	7,808.13
Insurance	17,868.06
Taxes	42,217.04

Total (Schedule B)..... 486,732.10

General Expenses

Special Attorney's Fees and Expenses for Bank of America in Fisher Joint Venture Case	3,308.74
Special Attorney's Fees and Expenses at Fresno in Coats Suit for Breach of Contract	2,147.90
Sundry Special Legal Expenses	1,122.88
Attorney for Stockholders	500.00
Attorney for Receiver—Fees and Expenses	22,428.61
Auditing and Accounting Service.....	5,955.00
Appraisal Fees	1,500.00
Geological Fees	1,825.00
Traveling	5,608.07
Office Salaries	16,429.10
Printing and Stationery	1,623.57
Field Office	22,918.26
Telephone and Telegraph	7,183.48
Postage and Revenue Stamps	1,420.72
General Office Expense	22,490.07
Losses on Accounts	1,441.30
Sales Expense	19,019.29
Prepaid Freight	177.01
	<hr/>
Total (Schedule B).....	137,099.00

[71]

[Endorsed]: Filed June 7, 1938. R. S. Zimmerman, Clerk. By R. B. Clifton, Deputy Clerk. [72]

[Title of District Court and Cause.]

ORDER APPROVING AUDIT OF THOMPSON, COOPER & THOMSON, DATED APRIL 30, 1938, AND APPROVING ACCOUNTING OF PAUL J. HISEY, RECEIVER, DECEASED, AND EXONERATION OF BONDSMEN.

The matter of the petition of the Receiver herein for an order approving audit of Thomson, Cooper & Thomson, dated April 30, 1938, and acts of Receiver came on regularly to be heard on the 3rd day of October, 1938, notice of hearing on said petition having been regularly and properly given to those interested, and the Citizens National Trust and Savings Bank of Los Angeles having made its objections, and the said Paul J. Hisey, Receiver, having died on the 27th day of April, 1938, and no other persons appearing to object to said petition, the Receiver B. J. Bradner appearing by his attorney Jerold E. Weil, and the said Citizens National Trust and Savings Bank of Los Angeles by its attorneys Messrs. Cosgrove & O'Neil by Frank B. Yoakum, Jr.;

It Is Hereby Ordered and Decreed that the audit of Thomson, Cooper & Thomson, dated April 30, 1938, and that the acts of the Receiver therein set forth be and the same are hereby approved, without prejudice, however, to the contentions of the said Citizens National Trust and Savings Bank

of Los Angeles raised by its objections as to the amount of the unpaid balance of said bank against the receivership estate, the accounts of Paul J. Hisey, Deceased, as Receiver are approved, and the sureties on his bond as such Receiver be and they are hereby exonerated.

Dated this 10 day of October, 1938.

WM. P. JAMES,
Judge of the United States
District Court. [73]

Approved as to form as provided in Rule 44:

COSGROVE & O'NEIL,
By F. B. YOAKUM, Jr.,
Attorneys for Objector Citizens National
Trust and Savings Bank of Los Angeles.

[Endorsed]: Filed Oct. 10, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [74]

[Title of District Court and Cause.]

PETITION FOR ORDER TO SELL THE
LEASES AND THE PERSONAL PROP-
ERTY LOCATED THEREON.

To the Honorable, the Judges of the District Court
of the United States, for the Southern District
of California, Central Division:

The petition of B. J. Bradner, as Receiver for
Lake View Oil and Refining Company, a corpora-

tion, respectfully shows and represents to this Honorable Court as follows:

I.

That under decree of the Court herein granted and entered on the 29th day of April, 1938, he was duly appointed Receiver herein, and that subsequently he duly executed and filed a bond required to be filed by him under the terms and conditions of said decree, and entered upon his duties as Receiver herein and is now acting as such.

II.

Your petitioner respectfully shows that Paul J. Hisey was appointed Receiver upon the 8th day of May, 1931, and qualified and acted as such until the appointment of your petitioner herein, and that the said Paul J. Hisey during the time he acted as Receiver filed annual reports, and that after the death of said Paul J. Hisey and appointment of petitioner herein, a report was filed by your petitioner, as Receiver, and that said report was ratified and approved by this court on the 5th day of October, 1938. [75]

III.

That the said Paul J. Hisey and petitioner herein has worked almost continuously since 1931 in an endeavor to handle the assets of the creditors in such manner and in such way as may be most beneficial to the creditors and stockholders of said

corporation. That your petitioner, as attorney and as Receiver, has endeavored throughout to sell the assets in the hands of your petitioner at an advantageous price for cash, and that your petitioner has received an offer from W. L. Adkisson to purchase the leases in Kern County and the personal property and equipment located thereon, excepting therefrom the oil and oil products that may be on hand at time of delivery for the sum of Seventy-five Thousand Dollars (\$75,000.00), and that said W. L. Adkisson has deposited with your petitioner ten per cent (10%) of said purchase price, to wit, the sum of Seven Thousand Five Hundred Dollars (\$7,500.00); that an original copy of said offer is hereto attached marked "Exhibit A" and made a part hereof.

IV.

That the oil leases now owned by the receivership estate and in possession of your petitioner, as Receiver, are described and set forth in said "Exhibit A" hereto attached and made a part hereof, and the said "Exhibit A" includes the personal property located on said leases, excepting therefrom whatever oil and oil products may be in possession of your petitioner at the date of delivery.

V.

That said offer by W. L. Adkisson is by far the best offer that has been made to your petitioner

and the most advantageous one that your petitioner has been able to obtain.

Wherefore, petitioner prays that after such notice as the court may require, the Receiver, as petitioner herein, be authorized to sell, assign, transfer, set over, and convey to [76] W. L. Adkisson, all the right, title and interest of the Lake View Oil and Refining Company in and to the hereinbefore described premises and equipment, under the terms and conditions herein set forth in "Exhibit A" hereto attached, and for such other and further orders as to the court shall seem meet and just.

B. J. BRADNER,

Petitioner, Receiver for the Lake View
Oil and Refining Company.

BRADNER & WEIL,

By JEROLD E. WEIL,

Attorneys for Receiver.

State of California

County of Los Angeles—ss.

B. J. Bradner, being by me first duly sworn, deposes and says:

That he is the Receiver in the above entitled action and the petitioner herein; that he has read the foregoing petition and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are there-

in stated upon his information or belief, and as to those matters that he believes it to be true.

B. J. BRADNER.

Subscribed and sworn to before me this 19 day of October, 1938.

[Seal] ANNABEL SMITH,
Notary Public in and for said County and State.

[77]

EXHIBIT "A"

Los Angeles, California

October 18, 1938

To B. J. Bradner, Receiver for Lake View Oil and Refining Company:

Dear Sir:

I, the undersigned, will pay you the sum of Seventy-five Thousand Dollars (\$75,000.00) for all of the leases located in Kern County, California, together with all the personal property and equipment located thereon and therein. The property to be purchased by me is described as follows, to-wit:

(1) Pentland lease.

That certain oil and gas lease made and entered into on the 18th day of November, 1927, by and between Carrie Parkinson, a widow, as lessor, and Lake View Oil and Refining Company, a corporation, as lessee, covering the premises described as follows, to-wit:

The northwest quarter (NW $\frac{1}{4}$) of section four (4) township 11 north, range 23 west,

S. B. B. & M., Kern County, California, containing one hundred sixty (160) acres, more or less; which includes producing wells located thereon;

That the Title Insurance and Trust Company of Los Angeles, California, by mesne conveyances now is the owner of said premises; that there is personal property located on said lease consisting of a refinery, derricks, well equipment, buildings, tankage, oil well machinery, boiler plants, machine shop, fire apparatus, trucks, automobiles, field office furniture, houses, household furniture and producing oil wells.

(2) 1st El Dora (Main) Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company of Los Angeles, California, a corporation, lessee, same being Los Angeles Serial No. 033378, covering land described as follows:

The south half (S $\frac{1}{2}$) of the northwest quarter (NW $\frac{1}{4}$) of the southeast quarter (SE $\frac{1}{4}$) of section thirty-two (32), township twelve (12) north, of range twenty-three (23) west, San Bernardino Base and Meridian, Kern county, California;

which includes producing wells located thereon; that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of [78] El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that there is personal property located on said lease consisting of derricks, pipes, casing, machinery, tanks, buildings, appliances and equipment; that upon transfer of title said lease is subject to the approval of the Department of the Interior.

(3) 2nd El Dora-Smith Lease

That certain oil and gas lease dated the 20th day of April, 1922, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company, as lessee, same being Los Angeles Serial No. 034641, covering land situated in the Sunset field and more particularly described as follows:

Lot 7, section 6, township 11 N., range 23 W., San Bernardino Meridian, Kern county, California;

that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith,

trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that drilling operations were suspended by the Secretary of the Interior on August 28, 1934, and suspension of rentals became effective on April 20, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior. No personal property is located on said lease.

(4) Elk Hill Lease

That certain oil and gas lease dated June 1, 1921, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Visalia 09704, and also known as Sacramento 019477, and Lake View No. 2 Oil Company, a California corporation, as lessee, which company's name was changed to Lake View Oil and Refining Company, covering that certain tract of land situated in the Elk Hill oil field and more particularly described as follows:

W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$
SW $\frac{1}{4}$ Sec. 8, T. 31 S., R. 25 E., M. D. M.,
Kern county, California;

that the Department of the Interior approved the suspension of drilling and producing requirements under said lease and also suspended payment of annual rental effective June 1, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior. No personal property is located on said lease.

(5) Midway Field Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Los Angeles 033396a, and Midway Field Oil Company, a corporation, as lessee, covering [79] the following described tract of land situated in the county of Kern, California, and more particularly described as follows:

The north fifty (50) acres of the west one hundred (100) acres of the southwest quarter (SW $\frac{1}{4}$) of section four (4), township eleven (11) north, range twenty-three (23) west, San Bernardino Meridian, Kern county, California;

which includes producing wells located thereon; that said lease and all the physical personal property thereon by mesne conveyances was transferred to the Lake View No. 2 Oil Company, a corporation, (which company's

name was changed to the Lake View Oil and Refining Company) on the 27th day of June, 1921, by the Midway Field Oil Company, and the assignment and transfer was approved by the Secretary of the Interior on July 11, 1921, that there is personal property located thereon consisting of derricks, rigs, casing, machinery, equipment, tools and appliances; that upon transfer of title said lease is subject to the approval of the Department of the Interior.

Said leases are subject to all the terms, conditions and provisions therein contained.

Ten per cent (10%) or Seventy-five Hundred Dollars (\$7500.00) of this bid to be paid upon acceptance thereof by the Receiver for the Lake View Oil and Refining Company and the balance to be paid upon confirmation of sale by the United States District Court for the Southern District of California, Central Division.

If this proposition is acceptable to you, will you please petition the court for an Order of Sale and hold a sale as promptly as possible in compliance with the United States Statute and thereafter secure a confirmation of sale. Upon confirmation of sale the balance of the purchase price is to be paid in escrow through the Title Insurance and Trust Company of Los Angeles upon showing by said Title Insurance and Trust Company of Los Angeles that title is clear and delivery of title passed.

There is not included in said sale oil or oil products on hand on date of delivery of possession. All said oil and oil products are to remain the property of the Receiver, and it is distinctly understood that the office furniture and equipment in the main office at Los Angeles, California, is not included nor [80] any of the assets of the receivership estate, other than the leases and the personal property delineated in the above description.

W. L. ADKISSON.

The foregoing bid is hereby accepted by the undersigned, subject to the approval of the United States District Court, and he acknowledges receipt of ten per cent (10%) or Seventy-five Hundred Dollars (\$7500.00) of said bid this 18th day of October, 1938.

B. J. BRADNER,
Receiver for Lake View Oil
and Refining Company.

[Endorsed]: Filed Oct. 19, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [81]

[Title of District Court and Cause.]

ORDER SETTING TIME FOR HEARING OF
PETITION FOR ORDER TO SELL THE
LEASES AND THE PERSONAL PROP-
ERTY LOCATED THEREON.

Upon filing of the verified petition of B. J. Bradner, as Receiver for Lake View Oil and Re-

fining Company, for order to sell the leases and the personal property located thereon;

Now, Therefore, It Is Hereby Ordered that hearing on Petition for Order to Sell the Leases and the Personal Property Located Thereon, in the above entitled cause, be and the same is hereby set for hearing on the 31 day of October, 1938, at the hour of 2:15, P. M., in the said Federal Court before the Honorable Wm. P. James, District Judge, Presiding in Room 582 Pacific Electric Building, Los Angeles, California, and that written notice thereof be given by mailing to the creditors and stockholders of the Lake View Oil and Refining Company.

Dated October 19, 1938.

WM. P. JAMES,

Judge of the United States District Court.

[Endorsed]: Filed Oct. 19, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [82]

[Title of District Court and Cause.]

AFFIDAVIT OF SERVICE
OF MAILING

State of California

County of Los Angeles—ss.

E. C. Perrizo, being first duly sworn, deposes and says:

That he is a citizen of the United States, over 18 years of age, a resident of Los Angeles County,

and not a party to the within action; that affiant's business address is 1123 Rowan Building, Los Angeles, California; that on October 20, 1938, affiant served copies of Notice of Hearing of Petition for Order to Sell the Leases and the Personal Property Located Thereon, by depositing in the United States Mail at Los Angeles, California, true and correct copies of said Notice, enclosed in sealed envelopes addressed to the creditors and stockholders of the Lake View Oil and Refining Company, at their respective business or residence addresses; a copy of said list of creditors and stockholders together with their business or residence addresses being hereto attached marked "Exhibit A" and made a part hereof, and copy of said Notice being hereto attached marked "Exhibit B" and made a part hereof; that postage thereon was fully prepaid; that there is either delivery service by United States mail at the place so addressed, or regular communication by mail between the place of mailing and the place so addressed.

E. C. PERRIZO.

Subscribed and sworn to before me this 21st day of October, 1938.

[Seal]

B. J. BRADNER,

Notary Public in and for said County and State.

[83]

EXHIBIT "A"

List of Creditors of Lake View Oil and Refining Company.

* * * * *

[84]

List of Stockholders of Lake View Oil and Refining Co.

* * * * *

[86]

Floyd G. White, 1110 Park Central Bldg., Los Angeles, Cal.

* * * * *

[95]

[Title of District Court and Cause.]

NOTICE OF HEARING OF PETITION FOR ORDER TO SELL THE LEASES AND THE PERSONAL PROPERTY LOCATED THEREON.

To the Creditors and Stockholders of Lake View Oil and Refining Company:

You and Each of You Will Please Take Notice: B. J. Bradner, Receiver for Lake View Oil and Refining Company has filed herein his petition for an order to sell, assign, transfer, set over and convey to W. L. Adkisson all the right, title and interest of the Lake View Oil and Refining Company in and to the "Pentland Lease", "1st El Dora (Main) Lease", "2nd El Dora-Smith Lease", "Elk

Hill Lease” and “Midway Field Lease” located in Kern County, California, together with all machinery, equipment, derricks, appliances, etc., of every kind and character located on said leases, and subject to all the terms, conditions and provisions contained in said leases, pursuant to a written offer made to said Receiver by W. L. Adkisson dated October 18, 1938, a copy of which offer is attached to said petition; that by said offer, said W. L. Adkisson proposes to pay to said Receiver through escrow the sum of Seventy-five Thousand Dollars (\$75,000.00), less 10% or \$7500.00 which has been paid by him to said Receiver upon acceptance of offer by said Receiver, subject to approval of the United States District Court, when the title to the above described property is free and clear and a Lessee’s policy of Title Insurance is procured showing the above leases [97] vested in the Lake View Oil and Refining Company; that there is not included in said sale oil or oil products on hand on the date of delivery of possession; all said oil and oil products are to remain the property of the Receiver and it is distinctly understood that the office furniture and equipment in the main office at Los Angeles, California, is not included nor any of the assets of the receivership estate, other than the leases and the personal property located thereon.

You and Each of You Are Hereby Further Notified That:

A hearing on the above petition will be had in the above entitled cause on Monday, the 31st day of October, 1938, at the hour of 2:15, P.M., in said Federal Court before the Honorable William P. James, District Judge Presiding, in Room 582 Pacific Electric Building, Los Angeles, California.

Dated this 19th day of October, 1938.

B. J. BRADNER,

Receiver for Lake View Oil
and Refining Company.

BRADNER & WEIL,

By JEROLD E. WEIL,

Attorneys for Receiver.

[Endorsed]: Filed Oct. 22, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [98]

NOTICE OF HEARING OF PETITION FOR
ORDER TO SELL THE LEASES AND
THE PERSONAL PROPERTY LOCATED
THEREON.

[Printer's Note]: Said Notice is not printed at this point, as it is already set forth at pages 82-84 of this printed transcript of record. [98A]

At a stated term, to wit: The September Term, A. D. 1938, of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los An-

geles on Monday the 31st day of October in the year of our Lord one thousand nine hundred and thirty-eight.

Present: The Honorable Wm. P. James, District Judge.

[Title of Cause.]

This cause coming on for hearing on petition of B. J. Bradner, Receiver, herein, filed October 19, 1938, for order to sell certain leases and the personal property thereon, to W. L. Adkisson, pursuant to order filed therewith setting hearing; B. J. Bradner, Receiver, being present, and Ralph E. Lewis, Esq., appearing for the Bank of America, National Trust and Savings Association:

At 2:25 o'clock P.M. Adolph Ramish, a creditor, makes a statement that the sale be made. Attorney Lewis states that the sale should be made. The Court makes a statement re receipt of communication from J. J. Rifkind, stating sale should be made, and said communication is filed herein.

Receiver Bradner states that he has received \$7,500.00, which is 10% on account of the purchase price.

The Court signs order of sale and approves notice of sale, and the same are filed herein. [99]

[Title of District Court and Cause.]

ORDER OF SALE OF OIL LEASES AND PERSONAL PROPERTY LOCATED THEREON OF LAKE VIEW OIL AND REFINING COMPANY AT PUBLIC AUCTION.

This matter of sale at public auction of the oil leases and personal property located thereon of the Lake View Oil and Refining Company, a corporation, came on for hearing on the 31st day of October, 1938, at the hour of 2:15 P. M., on petition of the Receiver herein praying for the sale of the oil leases and personal property located thereon of the Lake View Oil and Refining Company, subject to all the terms, conditions and provisions therein contained; but not including in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included nor any of the assets of the receiver-ship estate, other than the leases and the personal property located thereon; notice of said hearing for sale at public auction having been given to all creditors and stockholders and affidavit of mailing said notice being on file herein and no objections having been filed or made and all of the oil leases and personal property located thereon of the said corporation, subject to all the terms, conditions and

provisions therein contained having a fair value of the sum of \$75,000.00;

Good cause appearing therefor, and it appearing to [100] the court and the court finds that the Receiver has had a certain offer submitted to him from a possible purchaser who desires to purchase the said oil leases and personal property located thereon of the said corporation, subject to all the terms, conditions and provisions therein contained, at said fair value as above set forth, and it further appearing to the court and the court finds that said Lake View Oil and Refining Company was at the time of the filing of the Bill In Equity herein and still is unable to pay its debts in due course of business; that there are not sufficient funds in said receivership estate to pay the debts of the Lake View Oil and Refining Company and that no advantage will accrue to the creditors or to the stockholders of said Lake View Oil and Refining Company by the further continuance of said receivership with respect to the said oil leases and personal property located thereon of the Lake View Oil and Refining Company, and that it is for the best interests of said Lake View Oil and Refining Company and said receivership estate and the creditors thereof and the stockholders thereof that said oil leases and personal property located thereon be sold at public auction without further appraisalment and redemption to the highest bidder at the main entrance to the County Court House of Kern County,

in the City of Bakersfield, County of Kern, State of California, in accordance with the law thereunto appertaining, made and provided.

It Is, Therefore, Ordered, Adjudged and Decreed that B. J. Bradner, as Receiver, be and he is hereby authorized and directed to sell without further appraisalment and without redemption to the highest bidder on the 10th day of December, 1938, at eleven o'clock in the forenoon of said day at the main entrance of the County Court House of Kern County, in the City of Bakersfield, County of Kern, State of California, in accordance with the law made and provided and thereunto appertaining the oil leases and personal property located thereon of the [101] Lake View Oil and Refining Company, for cash at a price or sum of not less than \$75,000.00; 10% of the purchase price to be paid in cash by the highest bidder at the time of sale and the balance to be paid in cash upon the confirmation of the sale thereof by this court, and the delivery to the purchaser or purchasers of the oil and gas leases and the personal property located thereon. In the event that the highest bidder fails to pay the balance of the purchase price for the leases and personal property located thereon at the time of confirmation of sale, then in that event the 10% paid at the time of sale shall be retained by the Receiver as liquidated damages for failure to faithfully perform the contract of sale.

It Is Further Ordered, Adjudged and Decreed that the said B. J. Bradner, as Receiver, shall first offer the leases in single parcels including the personal property located thereon and the bids be noted, and then shall offer the leases including the personal property located thereon as a whole and the bid be noted, and shall then make a sale of the leases and the personal property located thereon to such purchaser or purchasers as in the aggregate will bring the highest price for all of the leases and personal property located thereon sold, provided, that the aggregate is not less than the total price hereinbefore fixed in this order; payment of said 10% to be then paid by the purchaser or purchasers as hereinabove provided.

It Is Further Ordered, Adjudged and Decreed that the Receiver herein insert or cause to be inserted a publication of Notice of Sale as provided by law at least once a week for a period of four successive weeks prior to said sale in "The Daily Report", a newspaper printed and regularly issued and having a general circulation in the county of Kern, State of California.

It Is Further Ordered, Adjudged and Decreed that B. J. Bradner, Receiver herein hold and conduct said sale. [102]

It Is Further Ordered, Adjudged and Decreed that the Receiver report his proceedings in the premises to this Court for confirmation and further orders.

The oil leases and personal property of the Lake View Oil and Refining Company are located in the County of Kern, State of California and described as follows, to-wit:

(1) Pentland Lease

That certain oil and gas lease made and entered into on the 18th day of November, 1927, by and between Carrie Parkinson, a widow, as lessor, and Lake View Oil and Refining Company, a corporation, as lessee, covering the premises described as follows, to-wit:

The northwest quarter (NW $\frac{1}{4}$) of section four (4) township 11 north, range 23 west, S. B. B. & M., Kern County, California, containing one hundred sixty (160) acres, more or less;

which includes producing wells located thereon; that the Title Insurance and Trust Company of Los Angeles, California, by mesne conveyances now is the owner of said premises; that there is personal property located on said lease consisting of a refinery, derricks, well equipment, buildings, tankage, oil well machinery, boiler plants, machine shop, fire apparatus, trucks, automobiles, field office furniture, houses, household furniture and producing oil wells; that upon transfer of title assignment of said lease is subject to the consent of the Title Insurance and Trust Company of Los Angeles; that there is located on said lease as a part of the personal property an electric dehydrating unit

C-241, licensed by the Petroleum Rectifying Company, which has been operated by the receivership under a non-assignable License Agreement dated October 1, 1927, and said unit will be sold only on condition that the buyer enter into a License Agreement with the Petroleum Rectifying Company covering said unit. [103]

(2) 1st El Dora (Main) Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company of Los Angeles, California, a corporation, lessee, same being Los Angeles Serial No. 033378, covering land described as follows:

The south half ($S\frac{1}{2}$) of the northwest quarter ($NW\frac{1}{4}$) of the southeast quarter ($SE\frac{1}{4}$) of section thirty-two (32), township twelve (12) north, of range twenty-three (23) west, San Bernardino Base and Meridian, Kern county, California;

which includes producing wells located thereon; that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that there is personal property located on said lease consist-

ing of derricks, pipes, casing, machinery, tanks, buildings, appliances and equipment; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

(3) 2nd El Dora-Smith Lease

That certain oil and gas lease dated the 20th day of April, 1922, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company, as lessee, same being Los Angeles Serial No. 034641, covering land situated in the Sunset field and more particularly described as follows:

Lot 7, section 6, township 11 N., range 23 W., San Bernardino Meridian, Kern county, California;

that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora [104] Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that drilling operations were suspended by the Secretary of the Interior on August 28, 1934, and suspension of rentals became effective on April 20, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to securing a new bond covering

said lease. No personal property is located on said lease.

(4) Elk Hill Lease

That certain oil and gas lease dated June 1, 1921, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Visalia 09704, and also known as Sacramento 019477, and Lake View No. 2 Oil Company, a California corporation, as lessee, which company's name was changed to Lake View Oil and Refining Company, covering that certain tract of land situated in the Elk Hill oil field and more particularly described as follows:

W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 8, T. 31 S., R. 25 E., M. D. M., Kern county, California;

that the Department of the Interior approved the suspension of drilling and producing requirements under said lease and also suspended payment of annual rental effective June 1, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease. No personal property is located on said lease.

(5) Midway Field Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf

by the Secretary of the Interior, same being Serial Los Angeles 033396a, and [105] Midway Field Oil Company, a corporation, as lessee, covering the following described tract of land situated in the county of Kern, California, and more particularly described as follows:

The north fifty (50) acres of the west one hundred (100) acres of the southwest quarter (SW $\frac{1}{4}$) of section four (4), township eleven (11) north, range twenty-three (23) west, San Bernardino Meridian, Kern county, California;

which includes producing wells located thereon; that said lease and all the physical personal property thereon by mesne conveyances was transferred to the Lake View No. 2 Oil Company, a corporation, (which company's name was changed to the Lake View Oil and Refining Company) on the 27th day of June, 1921, by the Midway Field Oil Company, and the assignment and transfer was approved by the Secretary of the Interior on July 11, 1921, that there is personal property located thereon consisting of derricks, rigs, casing, machinery, equipment, tools and appliances; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

Said leases are subject to all the terms, conditions and provisions therein contained.

Dated Oct. 31, 1938, at Los Angeles, California.

WM. P. JAMES;

Judge of the U. S. District Court.

[Endorsed]: Filed Oct. 31, 1938, R. S. Zimmerman, Clerk. By Murray E. Wire, Deputy Clerk.

[106]

[Title of District Court and Cause.]

NOTICE OF SALE OF OIL LEASES AND
PERSONAL PROPERTY LOCATED
THEREON OF LAKE VIEW OIL AND
REFINING COMPANY AT PUBLIC AUC-
TION.

Notice Is Hereby Given, that the undersigned, as Receiver in Equity of the oil leases and personal property located thereon of Lake View Oil and Refining Company, a corporation, within the Southern District of California, and pursuant to an order of the United States District Court, Southern District of California, Central Division, made on the 31st day of October, 1938, in the above entitled cause, will offer for sale, at public auction, to be held at the main entrance of the County Court House of Kern County, in the City of Bakersfield, County of Kern, State of California, on the 10th day of December, 1938, at the hour of 11:00 o'clock A. M., of said date, all those certain oil leases and personal property located thereon, being the property of the Lake View Oil and Refining Company,

lying and situate in the County of Kern, State of California, and more particularly described as follows, to-wit:

(1) Pentland Lease

That certain oil and gas lease made and entered into on the 18th day of November, 1927, by and between Carrie Parkinson, a widow, as lessor, and Lake View Oil and Refining Company, a corporation, as lessee, covering the premises described as follows, to-wit:

The northwest quarter (NW $\frac{1}{4}$) of section four (4) township 11 north, range 23 west, S. B. B. & M., Kern county, California, containing one hundred sixty (160) acres, more or less; [107]

which includes producing wells located thereon; that the Title Insurance and Trust Company of Los Angeles, California, by mesne conveyances now is the owner of said premises; that there is personal property located on said lease consisting of a refinery derricks, well equipment, buildings, tankage, oil well machinery, boiler plants, machine shop, fire apparatus, trucks, automobiles, field office furniture, houses, household furniture and producing oil wells; that upon transfer of title, assignment of said lease is subject to the consent of the Title Insurance and Trust Company of Los Angeles; that there is located on said lease as a part of the personal property an electric dehydrating unit C-241, licensed by the Petroleum Rectifying Company, which has been

operated by the receivership under a non-assignable License Agreement dated October 1, 1927, and said unit will be sold only on condition that the buyer enter into a License Agreement with the Petroleum Rectifying Company covering said unit.

(2) 1st El Dora (Main) Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company of Los Angeles, California, a corporation, lessee, same being Los Angeles Serial No. 033378, covering land described as follows:

The south half ($S\frac{1}{2}$) of the northwest quarter ($NW\frac{1}{4}$) of the southeast quarter ($SE\frac{1}{4}$) of section thirty-two (32), township twelve (12) north, of range twenty-three (23) west, San Bernardino Base and Meridian, Kern county, California;

which includes producing wells located thereon; that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, [108] by the Department of the Interior; that there is personal property located on said lease consisting of derricks, pipes, casing, machinery, tanks, buildings, appliances and equipment; that upon transfer of title said lease is subject to the

approval of the Department of the Interior, and subject to a new bond covering said lease.

(3) 2nd El Dora-Smith Lease

That certain oil and gas lease dated the 20th day of April, 1922, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company, as lessee, same being Los Angeles Serial No. 034641, covering land situated in the Sunset field and more particularly described as follows:

Lot 7, section 6, township 11 N., range 23 W., San Bernardino Meridian, Kern county, California;

that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that drilling operations were suspended by the Secretary of the Interior on August 28, 1934, and suspension of rentals became effective on April 20, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to securing a new bond covering said lease. No personal property is located on said lease.

(4) Elk Hill Lease

That certain oil and gas lease dated June 1, 1921, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the

Interior, same being Serial Visalia 09704, and also known as Sacramento 019477, and Lake View No. 2 Oil Company, a California corporation, as lessee which company's name was changed to Lake View Oil [109] and Refining Company, covering that certain tract of land situated in the Elk Hill oil field and more particularly described as follows:

W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$
SW $\frac{1}{4}$ Sec. 8, T. 31 S., R. 25 E., M. D. M., Kern county, California;

that the Department of the Interior approved the suspension of drilling and producing requirements under said lease and also suspended payment of annual rental effective June 1, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease. No personal property is located on said lease.

(5) Midway Field Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Los Angeles 033396a, and Midway Field Oil Company, a corporation, as lessee, covering the following described tract of land situated in the county of Kern, California, and more particularly described as follows:

The north fifty (50) acres of the west one hundred (100) acres of the southwest quarter

(SW $\frac{1}{4}$) of section four (4), township eleven (11) north, range twenty-three (23) west, San Bernardino Meridian, Kern county, California;

which includes producing wells located thereon; that said lease and all the physical personal property thereon by mesne conveyances was transferred to the Lake View No. 2 Oil Company, a corporation, (which company's name was changed to the Lake View Oil and Refining Company) on the 27th day of June, 1921, by the Midway Field Oil Company, and the assignment and transfer was approved by the Secretary of the Interior on July 11, 1921, that there is personal property located thereon consisting of derricks, rigs, casings, machinery, [110] equipment, tools and appliances; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

Said leases are subject to all the terms, conditions and provisions therein contained.

That there is not included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products are to remain the property of the Receiver, and this sale is made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon.

Notice Is Hereby Given that an offer has been received from W. L. Adkisson to purchase the aforementioned oil leases and personal property located thereon at and for the price of Seventy-five Thousand Dollars (\$75,000.00) cash, lawful money of the United States of America, 10% of the purchase price having been paid in cash by the said W. L. Adkisson at the time said offer was made and the balance to be paid in cash upon the confirmation of the sale thereof by this court and the delivery to the purchaser of a report of Title Insurance, showing such property vested in the purchaser, subject to all the terms, conditions and provisions contained in said leases;

That in the event no bid for cash in a greater sum be made at the sale of this property, the undersigned proposes to accept the aforementioned offer and consummate such sale if such bid is made at this sale;

That the said sale, however, will be made to the highest and best bidder for cash and for a purchase price of not less than Seventy-five Thousand Dollars (\$75,000.00); 10% of the purchase price to be paid in cash by the highest bidder at the time of [111] sale and the balance to be paid upon confirmation of the sale thereof by this court and the delivery to the purchaser or purchasers of a report of Title Insurance, showing such property vested in the purchaser or purchasers, subject to all the terms, conditions and provisions contained in said leases and the personal property located thereon. In the event

that the highest bidder fails to pay the balance of the purchase price for the leases and personal property located thereon at the time of confirmation of sale, then in that event the 10% paid at the time of the sale shall be retained by the Receiver as liquidated damages for failure to faithfully perform the contract of sale; that the said B. J. Bradner, as Receiver, will first offer the leases in single parcels including the personal property located thereon and the bids will be noted, and then will offer the leases including the personal property located thereon as a whole and the bid will be noted, and will then make a sale of the leases and the personal property located thereon to such purchaser or purchasers as in the aggregate will bring the highest price for all of the leases and personal property thereon sold, provided, that the aggregate is not less than the total price hereinbefore set forth in this notice and fixed by the Order of Sale; payment of said 10% to be then paid by the purchaser or purchasers as hereinabove provided.

Any sale of said property shall be subject to the approval and confirmation of the United States District Court for the Southern District of California, Central Division.

Dated this 31st day of October, 1938.

B. J. BRADNER

Receiver for Lake View Oil
and Refining Company

BRADNER & WEIL

By B. J. BRADNER

Attorneys for Receiver

Form of Notice approved by

WM. P. JAMES

Judge of the U. S. District Court

[Endorsed]: Filed Oct. 31, 1938. R. S. Zimmerman, Clerk. By Murray E. Wire, Deputy Clerk.

[112]

[Title of District Court and Cause.]

AFFIDAVIT OF SERVICE BY MAILING.

State of California,
County of Los Angeles—ss.

E. C. Perrizo, being first duly sworn, deposes and says:

That he is a citizen of the United States, over 18 years of age, a resident of Los Angeles County, and not a party to the within action; that affiant's business address is 1123 Rowan Building, Los Angeles, California; that on November 4, 1938, affiant served copies of the Notice of Sale of Oil Leases and Personal Property Located Thereon of Lake View Oil and Refining Company at Public Auction, by depositing in the United States Mail at Los Angeles, California, true and correct copies of said Notice, enclosed in sealed envelopes addressed to the creditors and stockholders of the Lake View Oil and Refining Company, at their respective business or residence addresses; a copy of said list of creditors and stockholders together with their business or residence addresses being hereto attached marked

“Exhibit A”, and made a part hereof, and copy of said Notice being hereto attached marked “Exhibit B” and made a part hereof; that postage thereon was fully prepaid; that there is either delivery service by United States mail at the place so addressed, or regular communication by mail between the place of mailing and the place so addressed.

E. C. PERRIZO

Subscribed and sworn to before me this 8th day of November, 1938.

[Seal]

B. J. BRADNER

Notary Public in and for said County and State

[113]

EXHIBIT “A”

List of Creditors of Lake View Oil and Refining Company.

* * * * *

[114]

List of Stockholders of Lake View Oil and Refining Company.

* * * * *

Floyd G. White, 1110 Park Central Bldg.,
Los Angeles, Cal.

[116]

EXHIBIT "B"
NOTICE OF SALE

(See Notice of Sale, Pages 95-96 attached hereto.)

[Endorsed]: Filed Nov. 9, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [117]

[Title of District Court and Cause.]

PETITION OF RECEIVER FOR CONFIRMATION OF SALE OF OIL LEASES AND PERSONAL PROPERTY LOCATED THEREON OF LAKE VIEW OIL AND REFINING COMPANY.

To the Honorable Wm. P. James, Judge of the Above Entitled Court:

Comes now B. J. Bradner, Receiver of Lake View Oil and Refining Company, a corporation, and respectfully petitions your Honorable Court as follows:

That heretofore, to-wit, on the 19th day of October, 1938, your petitioner as such Receiver presented to your Honorable Court a petition wherein among other things he petitioned that this court make its order authorizing him as such Receiver to sell at public auction all the oil leases and personal property located thereon, of Lake View Oil and Refining Company, a corporation, subject to all the terms, conditions and provisions contained in said

leases (there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon); said property lying and being in the County of Kern, State of California, and particularly [131] described in "Exhibit A" hereto attached and made a part hereof as fully as if set out herein; that in said petition, your petitioner advised this Honorable Court that he had received a written offer from W. L. Adkisson to purchase said oil leases and personal property located thereon, subject to all the terms, conditions and provisions contained in said leases (there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon), for the sum of \$75,000.00 cash, 10% or \$7,500.00 of said bid to be paid upon acceptance thereof by the Receiver for the Lake View Oil and Refining Company and the

balance to be paid upon confirmation of sale by the United States District Court for the Southern District of California, and the delivery to said W. L. Adkisson of a report of Title Insurance showing such property vested in him, subject to all the terms, conditions and provisions contained in said leases.

That thereafter to-wit, on the 31st day of October, 1938, your Honorable Court, pursuant to said petition did make its order authorizing, directing and ordering your petitioner as such Receiver to sell to the highest bidder the oil leases and personal property located thereon more particularly described in "Exhibit A" hereto attached and made a part hereof, subject to all the terms, conditions and provisions contained in said leases (there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the [132] assets of the receivership estate, other than the leases and the personal property located thereon), at public auction to be held at the main entrance of the County Court House of Kern County, in the City of Bakersfield, State of California, on December 10, 1938, at eleven o'clock A. M., at and for a purchase price of not less than the sum of \$75,000.00 in cash, lawful money of the United States; that your Honorable Court did further make its

own order directing your petitioner as such Receiver to cause a publication of Notice of said public auction to be made as provided by law at least once a week for a period of four (4) successive weeks prior to the date of said public auction, in a newspaper printed and regularly issued and having a general circulation in the County of Kern, State of California.

That your petitioner as such Receiver and pursuant to the terms of said order did cause a publication of the notice of said public auction and sale to be published once a week for four (4) successive weeks and to-wit: On November 2, 9, 16, 23 and 30, 1938, in "The Daily Report" a newspaper printed and regularly issued and having a general circulation in the County of Kern, State of California, did otherwise in all respects comply with said order of sale (said notice of sale at public auction having been given to all creditors and stockholders of the Lake View Oil and Refining Company and affidavit of service by mailing said notice being on file herein) and did on the 10th day of December, 1938, at the hour of eleven o'clock A. M., of said day offer for sale first by parcels and then as a whole the above described oil leases and personal property located thereon, subject to all the terms, conditions and provisions contained in said leases (there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to

be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of [133] the assets of the receivership estate, other than the leases and the personal property located thereon), at public auction held at the main entrance of the County Court House of Kern County, in the City of Bakersfield, State of California.

That at said public auction and sale, came the following:

Loren L. Hillman, President of and for and on behalf of Hillman-Long, Inc., who bid the sum of \$37,000.00 in cash for the "Elk Hill Lease" which is more fully described in said "Exhibit A" hereto attached and made a part hereof.

A. D. Mitchell who bid the sum of \$48,500.00 in cash for the "Pentland Lease" which is more fully described in said "Exhibit A" hereto attached and made a part hereof.

A. D. Mitchell who bid the sum of \$3750.00 in cash for the "1st El Dora (Main) Lease" which is more fully described in said "Exhibit A" hereto attached and made a part hereof.

A. D. Mitchell who bid the sum of \$3100.00 in cash for the "2nd El Dora-Smith Lease" which is more fully described in said "Exhibit A" hereto attached and made a part hereof.

W. I. Cunningham, Geologist of and for and on behalf of Bishop Oil Company who bid the sum of \$8200.00 in cash for the "Midway Field Lease"

which is more fully described in said "Exhibit A" hereto attached and made a part hereof.

That said bids so made by said purchasers were the highest and best bids made for said oil leases and personal property located thereon, and the aggregate thereof to-wit: \$100,550.00 being more than the total price fixed by the Order of Sale in the above entitled matter and that said purchasers are responsible and able to comply with the terms of said bid, and no further bids being made, I thereupon declared said bids accepted and there publicly sold and struck off said oil leases and personal property particularly described in "Exhibit A" hereto attached and made a part hereof, to said purchasers, at their [134] respective bids therefor and declared the same sold to them, subject to confirmation by this court and subject to a higher bid in open court at the time of confirmation of sale by this court.

That at least 10% of the purchase price has been paid in cash by each of the said purchasers at the time of sale and the balance to be paid upon confirmation of the sale thereon by this court and the delivery to the purchasers of a report of Title Insurance, showing such leases vested in the respective purchasers, subject to all the terms, conditions and provisions contained in said leases.

That your petitioner has heretofore and on the 14th day of December, 1938, filed herein his report and return of sale of said oil leases and personal property located thereon, subject to all the terms, conditions and provisions contained in said leases

(there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon).

Wherefore, your petitioner prays that Your Honorable Court make its order for a hearing upon this petition upon such notices and terms as Your Honorable Court may deem proper and that upon hearing thereof in open court, in the absence of a higher bid or bids on any one or all of said oil leases and personal property located thereon, an order be made and entered herein approving and confirming the sale by your petitioner, or if there be a higher bid or bids satisfactory to the court, then confirming sale to such higher bidder or bidders, of the above described oil leases and personal property located thereon, subject to all [135] the terms, conditions and provisions contained in said leases (there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and

the personal property located thereon), and instructing, authorizing and directing your petitioner as such Receiver to execute to each of the purchasers upon the payment of the balance of the purchase price bid by them for said oil leases and personal property located thereon, any and all conveyance or conveyances necessary and proper in the premises and to deliver to the purchasers a report of Title Insurance showing such leases vested in the respective purchasers, and giving and granting to the Board of Directors of the Lake View Oil and Refining Company, a corporation, full power and authority to act as directors and as such directors to authorize the execution on behalf of the corporation of all necessary conveyances in order to pass title to the respective purchasers, and for such other and further orders as to this court may seem just and proper.

B. J. BRADNER

Petitioner, Receiver for Lake View Oil
and Refining Company

BRADNER & WEIL

By **JEROLD E. WEIL**

Attorneys for Receiver [136]

State of California,
County of Los Angeles—ss.

B. J. Bradner, being by me first duly sworn, deposes and says:

That he is the Receiver in the above entitled action and the petitioner herein; that he has read

the foregoing petition and knows the contents thereof, and that the same is true of his own knowledge, except as to the matters which are therein stated upon his information or belief, and as to those matters that he believes it to be true.

B. J. BRADNER

Subscribed and sworn to before me this 14th day of December, 1938.

[Seal] MARY IVES ANDERSON

Notary Public in and for said County and State

[Endorsed]: Filed Dec. 14, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk.

EXHIBIT "A"

All those certain oil leases and personal property located thereon, being the property of the Lake View Oil and Refining Company, lying and situate in the County of Kern, State of California, and more particularly described as follows, to-wit:

(1) Pentland Lease

That certain oil and gas lease made and entered into on the 18th day of November, 1927, by and between Carrie Parkinson, a widow, as lessor, and Lake View Oil and Refining Company, a corporation, as lessee, covering the premises described as follows, to-wit:

The northwest quarter (NW $\frac{1}{4}$) of section four (4) township 11 north, range 23 west, S. B. B.

& M., Kern county, California, containing one hundred sixty (160) acres, more or less;

which includes producing wells located thereon; that the Title Insurance and Trust Company of Los Angeles, California, by mesne conveyances now is the owner of said premises; that there is personal property located on said lease consisting of a refinery, derricks, well equipment, buildings, tankage, oil well machinery, boiler plants, machine shop, fire apparatus, trucks, automobiles, field office furniture, houses, household furniture and producing oil wells; that upon transfer of title, assignment of said lease is subject to the consent of the Title Insurance and Trust Company of Los Angeles; that there is located on said lease as a part of the personal property an electric dehydrating unit C-241, licensed by the Petroleum Rectifying Company, which has been operated by the receivership under a non-assignable License Agreement dated October 1, 1927, and said unit will be sold only on condition that the buyer enter into a License Agreement with the Petroleum Rectifying Company covering said unit.

(2) 1st El Dora (Main) Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as [125] lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company of Los Angeles, California, a corporation, lessee, same being Los Angeles Serial No. 033378, covering land described as follows:

The south half (S $\frac{1}{2}$) of the northwest quarter (NW $\frac{1}{4}$) of the southeast quarter (SE $\frac{1}{4}$) of section thirty-two (32), township twelve (12) north, of range twenty-three (23) west, San Bernardino Base and Meridian, Kern County, California;

which includes producing wells located thereon; that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that there is personal property located on said lease consisting of derricks, pipes, casing, machinery, tanks, buildings, appliances and equipment; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

(3) 2nd El Dora-Smith Lease

That certain oil and gas lease dated the 20th day of April, 1922, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company, as lessee, same being Los Angeles Serial No. 034641, covering land situated in the Sunset field and more particularly described as follows:

Lot 7, section 6, township 11 N., range 23 W., San Bernardino Meridian, Kern County, California;

that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil [126] Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that drilling operations were suspended by the Secretary of the Interior on August 28, 1934, and suspension of rentals became effective on April 20, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to securing a new bond covering said lease. No personal property is located on said lease.

(4) Elk Hill Lease

That certain oil and gas lease dated June 1, 1921, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Visalia 09704, and also known as Sacramento 019477, and Lake View No. 2 Oil Company, a California corporation, as lessee which company's name was changed to Lake View Oil Refining Company, covering that certain tract of land situated in the Elk Hill oil field and more particularly described as follows:

W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$
SW $\frac{1}{4}$ Sec. 8, T. 31 S., R. 25 E., M. D. M., Kern
county, California;

that the Department of the Interior approved the suspension of drilling and producing requirements under said lease and also suspended payment of

annual rental effective June 1, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease. No personal property is located on said lease.

(5) Midway Field Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Los Angeles 033396a, and Midway Field Oil [127] Company, a corporation, as lessee, covering the following described tract of land situated in the county of Kern, California, and more particularly described as follows:

The north fifty (50) acres of the west one hundred (100) acres of the southwest quarter (SW $\frac{1}{4}$) of section four (4), township eleven (11) north, range twenty-three (23) west, San Bernardino Meridian, Kern county, California;

which includes producing wells located thereon; that said lease and all the physical personal property thereon by mesne conveyances was transferred to the Lake View No. 2 Oil Company, a corporation, (which company's name was changed to the Lake View Oil and Refining Company) on the 27th day of June, 1921, by the Midway Field Oil Company, and the assignment and transfer was approved by the Secretary of the Interior on July 11, 1921, that there is personal property located thereon consisting of derricks, rigs, casing, machinery, equipment,

tools and appliances; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

Said leases are subject to all the terms, conditions and provisions therein contained.

That there is not included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products are to remain the property of the Receiver, and this sale is made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon.

[128]

[Title of District Court and Cause.]

ORDER FOR HEARING ON PETITION
OF RECEIVER FOR CONFIRMATION OF
SALE OF OIL LEASES AND PERSONAL
PROPERTY LOCATED THEREON OF
LAKE VIEW OIL AND REFINING COM-
PANY.

B. J. Bradner, Receiver for Lake View Oil and Refining Company, a corporation, having filed herein his petition for an order confirming the sale of certain oil leases and personal property located thereon of Lake View Oil and Refining Company, a corporation, subject to all the terms, conditions

and provisions contained in said leases (there not being included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale to be made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon), heretofore sold at public auction by said Receiver under order of this court dated October 31, 1938, said petition setting forth among other things that as such Receiver, he did, on December 10, 1938, sell at public auction all of the said oil leases and personal property located thereon of Lake View Oil and Refining Company, a corporation, subject to all the terms, conditions and provisions contained in said leases (there not being included in said sale oil or oil products on hand on date of delivery [138] of possession, and all said oil and oil products to remain the property of the Receiver, and the said sale being made with the understanding that the office furniture and equipment in the main office at Los Angeles, California, is not included therein, nor are any of the assets of the receivership estate, other than the leases and the personal property located thereon), in Kern County, California, to the following purchasers;

Loren L. Hillman, President of and for and on behalf of Hillman-Long, Inc., who bid the sum of \$37,000.00 in cash for the following:

Elk Hill Lease

That certain oil and gas lease dated June 1, 1921, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Visalia 09704, and also known as Sacramento 019477, and Lake View No. 2 Oil Company, a California corporation, as lessee which company's name was changed to Lake View Oil and Refining Company, covering that certain tract of land situated in the Elk Hill oil field and more particularly described as follows:

W¹/₂ NE¹/₄, NW¹/₄, N¹/₂ SW¹/₄ and SW¹/₄
SW¹/₄ Sec. 8, T. 31 S., R. 25 E., M. D. M., Kern
county, California;

that the Department of the Interior approved the suspension of drilling and producing requirements under said lease and also suspended payment of annual rental effective June 1, 1934; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease. No personal property is located on said lease.

A. D. Mitchell who bid the sum of \$48,500.00 in cash for the following:

Pentland Lease

That certain oil and gas lease made and entered into on the 18th day of November, 1927, by and between Carrie Parkinson, [139] a widow, as lessor, and Lake View Oil and Refining Company, a cor-

poration, as lessee, covering the premises described as follows, to-wit:

The northwest quarter (NW $\frac{1}{4}$) of section four (4) township 11 north, range 23 west, S. B. B. & M., Kern county, California, containing one hundred sixty (160) acres, more or less;

which includes producing wells located thereon; that the Title Insurance and Trust Company of Los Angeles, California, by mesne conveyances now is the owner of said premises; that there is personal property located on said lease consisting of a refinery, derricks, well equipment, buildings, tankage, oil well machinery, boiler plants, machine shop, fire apparatus, trucks, automobiles, field office furniture, houses, household furniture and producing oil wells; that upon transfer of title, assignment of said lease is subject to the consent of the Title Insurance and Trust Company of Los Angeles; that there is located on said lease as a part of the personal property an electric dehydrating unit C-241, licensed by the Petroleum Rectifying Company, which has been operated by the receivership under a non-assignable License Agreement dated October 1, 1927, and said unit will be sold only on condition that the buyer enter into a License Agreement with the Petroleum Rectifying Company covering said unit.

A. D. Mitchell who bid the sum of \$3750.00 in cash for the following:

1st El Dora (Main) Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company of Los Angeles, California, a corporation, lessee, same being Los Angeles Serial No. 033378, covering land described as follows: [140]

The south half (S $\frac{1}{2}$) of the northwest quarter (NW $\frac{1}{4}$) of the southeast quarter (SE $\frac{1}{4}$) of section thirty-two (32), township twelve (12) north, of range twenty-three (23) west, San Bernardino Base and Meridian, Kern County, California:

which includes producing wells located thereon; that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by P. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that there is personal property located on said lease consisting of derricks, pipes, casing, machinery, tanks, buildings, appliances and equipment; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

A. D. Mitchell who bid the sum of \$3100.00 in cash for the following:

2nd El Dora-Smith Lease

That certain oil and gas lease dated the 20th day of April, 1922, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company, as lessee, same being Los Angeles Serial No. 034641, covering land situated in the Sunset field and more particularly described as follows:

Lot 7, section 6, township 11 N., range 23 W., San Bernardino Meridian, Kern County, California;

that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by P. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that drilling operations were suspended by the Secretary of the Interior on August 28, 1934, and suspension of rentals became effective on April 20, 1934; [141] that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to securing a new bond covering said lease. No personal property is located on said lease.

W. I. Cunningham, Geologist of and for and on behalf of Bishop Oil Company who bid the sum of \$8200.00 in cash for the following:

Midway Field Lease

That certain oil and gas lease dated the 23rd day

of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Los Angeles 033396a, and Midway Field Oil Company, a corporation, as lessee, covering the following described tract of land situated in the county of Kern, California, and more particularly described as follows:

The north fifty (50) acres of the west one hundred (100) acres of the southwest quarter (SW $\frac{1}{4}$) of section four (4), township eleven (11) north, range twenty-three (23) west, San Bernardino Meridian, Kern county, California;

which includes producing wells located thereon; that said lease and all the physical personal property thereon by mesne conveyances was transferred to the Lake View No. 2 Oil Company, a corporation, (which company's name was changed to the Lake View Oil and Refining Company) on the 27th day of June, 1921, by the Midway Field Oil Company, and the assignment and transfer was approved by the Secretary of the Interior on July 11, 1921, that there is personal property located thereon consisting of derricks, rigs, casing, machinery, equipment, tools and appliances; that upon transfer of title said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

That at least 10% of the purchase price has been paid in cash by each of the said purchasers at the time of sale and the balance to be paid upon con-

firmation of the sale thereon by [142] this court and the delivery to the purchasers of a report of Title Insurance, showing such leases vested in the respective purchasers, subject to all the terms, conditions and provisions contained in said leases.

That reference is made to said petition and report and return of said sale filed by the receiver herein on December 14, 1938.

It Is Ordered that a hearing upon said petition for confirmation be had on the 27th day of December, 1938, at the hour of ten o'clock A. M., on said day in said court before the Honorable Wm. P. James, District Judge presiding in Room 582 Pacific Electric Building, Los Angeles, California, and at said time and place a higher bid or bids may be accepted on any one or all of said oil leases and personal property located thereon.

It Is Further Ordered that Notice of such hearing of said petition for confirmation be given by the Receiver herein by mailing a copy of this Order to all the known creditors and stockholders of the Lake View Oil and Refining Company, a corporation, at least ten (10) days prior to the date of said hearing and by publication of a copy of this order for three (3) successive days prior to the date of said hearing in the Los Angeles Daily Journal of Los Angeles, California, and in The Daily Report of Bakersfield, California, and that a copy of said petition, together with a copy of this Order be served upon the parties herein and upon the respec-

tive purchasers either by personal delivery or by registered mail, postage prepaid, not less than ten (10) days before the hearing on said petition.

Dated December 14, 1938, at Los Angeles, California.

WM. P. JAMES

District Judge

[Endorsed]: Filed Dec. 14, 1938. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [143]

[Title of District Court and Cause.]

PROTEST OF F. G. WHITE ON HEARING OF
PETITION OF RECEIVER FOR CONFIR-
MATION OF SALE.

Now comes F. G. White and protests the confirmation of the sale of the assets, including various leases and personal property of the Lakeview Oil and Refining Company, and by way of protest alleges:

1. That he is one of the Directors of the Lakeview Oil and Refining Company, and that he is also a stockholder and represents various stockholders owning large blocks of the stock of said corporation.

2. That if the sale of the assets for the consideration heretofore agreed upon is confirmed, the Receiver will not receive sufficient to pay off the creditors of the corporation in full, and there will be nothing whatsoever remaining for the stockholders of said corporation. [165]

3. That at the inception of the Receivership herein, the properties which the Receiver now proposes to sell for a total sum of approximately \$100,550.00 were appraised at \$1,024,965.44, and the total indebtedness of said corporation was approximately \$289,549.91; that said indebtedness has now been reduced to \$231,266.76 during said Receivership.

4. Your petitioner is informed and believes, and therefore alleges, that the Receiver now has on hand sums in excess of \$54,000.00. Your petitioner further alleges that the properties which the Receiver proposes to sell were appraised within a year last past for a sum in excess of \$158,000.00; that because of new and deeper oil sands which have been discovered, all of said properties have materially increased in value since said appraisement.

5. Your petitioner further alleges that the proposed sale of each of said leases and assets of the said corporation is for a grossly inadequate consideration.

6. That if an appraisement were made at the present time, your petitioner believes and therefore alleges that all of said properties would show a material increase in value, and that the value of a new appraisement would show sufficient assets to pay all creditors in full and still leave a substantial equity for the stockholders of said corporation.

7. That if the Receivership were continued and allowed to carry on at its present rate, the creditors

would all be paid off in full and the entire properties saved to the stockholders; that your petitioner is informed and believes that the auditor's report herein will show that there has been an operating profit since the Receivership and during the last eight years in excess of \$170,000.00.

Wherefore, your petitioner prays: [166]

1. That the confirmation of sale of said assets be denied; or,

2. In lieu thereof this court continue the hearing on the confirmation of said sale for a period of thirty days, and that during the interim this Honorable Court appoint three disinterested parties to make a current appraisalment of said properties, and that at least one of said appraisers be a recognized consulting petroleum engineer to be nominated by your petitioner, and that said appraisers be instructed to have said appraisalment on file herein at least ten days prior to said further hearing on confirmation of sale herein.

THORNTON WILSON

Attorney for Petitioner

State of California,
County of Alameda.—ss.

F. G. White, being first duly sworn, deposes and says: That he is the petitioner above named; that he has read the foregoing petition and knows the contents thereof; that the same is true of his own knowledge, except the matters therein stated on

information and belief, and as to those matters, he believes it to be true.

F. G. WHITE

Subscribed and sworn to before me this 23rd day of December, 1938.

IDA PRATT

Notary Public in and for the County of Alameda,
State of California

[Seal]

[Endorsed]: Filed Dec. 27, 1938. R. S. Zimmerman, Clerk. By Edmund L. Smith, Deputy Clerk.

[167]

At a stated term, to wit: The September Term, A. D. 1938, of the District Court of the United States of America, within and for the Central Division of the Southern District of California, held at the Court Room thereof, in the City of Los Angeles on Tuesday the 27th day of December in the year of our Lord one thousand nine hundred and thirty-eight.

Present: The Honorable Wm. P. James, District Judge.

Nora L. Powers, et al., Plaintiffs, vs. Lake View Oil and Refining Co., Defendant.—No. T-121-J Equity.

This cause coming on for hearing on Receiver's Report and Return of Sale of certain Oil Leases

and Personal Property located thereon, of Lake View Oil and Refining Co., and Petition of B. J. Bradner, Receiver for confirmation of sale of Oil Leases and Personal Property located thereon, filed Dec. 14, 1938, pursuant to order filed therewith, setting this day for hearing. The bids received for the property, subject to the confirmation by the Court and subject to a higher bid in open Court at the time of the confirmation of sale by this Court are as follows:

	Cash Bids Received
(1) Pentland Lease:	
A. D. Mitchell.....	\$48,500.
(2) 1st El Dora (Main) Lease:	
A. D. Mitchell.....	\$ 3,750.
(3) 2nd El Dora-Smith Lease:	
A. D. Mitchell.....	\$ 3,100.
(4) Elk Hills Lease:	
Loren L. Hillman, President of and for and on behalf of Hillman- Long, Inc.	\$37,000.
(5) Midway Field Lease:	
W. I. Cunningham, Geologist of and for and on behalf of Bishop Oil Company	\$ 8,200.

The law firm of Bradner & Weil, by J. E. Weil, Esq., appearing for the Receiver herein, B. J. Bradner, who is present; J. J. Rifkind, Esq., appearing for Oil Well Supply Co., a creditor; Raphael Dech-

ter, Esq., appearing for A. D. Mitchell; Thornton Wilson, Esq., appearing for certain stockholders and directors of defendant corporation; A. H. Bargion being present as official court reporter; [168]

B. J. Bradner, Esq., Receiver, states that he has just been served with written protest to the sale; and Thornton Wilson, Esq., reads written protest of F. G. White to confirmation of sale, and makes a statement of objections to the sale and makes offer of proof of certain facts as to the value of the Elk Hills and Pentland Leases; Attorney Rifkind makes a statement on behalf of the Oil Well Supply Co.; Attorney Dechter makes a statement; Thornton Wilson, Esq., makes offer of proof in support of the protest to the sale; Attorney Rifkind makes a statement of objections to the said offer of proof; and the Court orders that the offer of proof which the counsel expresses in the record, is refused by the Court, and an exception noted; and the objections of the other counsel to the offer are ordered sustained.

B. J. Bradner, Esq., Receiver herein, now offers the following separately for sale to a higher bidder than the offers received and reported to the Court by the Receiver:

(1) above. No further bids received, and it is ordered that the sale be confirmed unless a higher aggregate bid is received.

(2) Bids are made separately by Gordon Holmes and A. D. Mitchell, and the highest bid having been made by A. D. Mitchell in the

sum of \$7500. the Court orders the sale confirmed unless there is a higher aggregate bid hereafter made.

(3) No further bids are received, and it is ordered that the bid in the sum as reported be confirmed, unless a higher aggregate bid is hereafter made.

(4) No further bids are received, and it is ordered that the bid in the sum as reported be confirmed, unless a higher aggregate bid is hereafter made.

(5) Bids are made separately by Gordon Holmes and A. D. Mitchell, and the highest bid having been made by A. D. Mitchell in the sum of \$9,100.00, the Court orders the sale confirmed, unless there is a higher aggregate bid hereafter made.

The Receiver now reports to the Court that the aggregate amount of the bids received is the sum of \$105,200.00; and pursuant to the direction of the Court, the Receiver now offers all said leases (1) to (5), inclusive, for sale to any higher bidder than the amount of \$105,200.00, and there being no response, the Court orders the sale confirmed. Counsel for the Receiver to prepare and present form of written orders thereon. [169]

[Title of District Court and Cause.]

ORDER FIXING TIME FOR FILING
OBJECTIONS

To F. G. White and to His Counsel Thornton Wilson, Esq.:

The order confirming sale of assets of Lake View Oil and Refining Company having been filed herein, and a copy of said order having been served upon said Thornton Wilson, Esq.;

It Is Hereby Ordered that said F. G. White and his counsel Thornton Wilson, Esq. be and they are hereby given five (5) days from the date of this order in which to file objections or amendments thereto.

Done this 13 day of January, 1939.

WM. P. JAMES,

Judge of the United States
District Court.

[Endorsed]: Filed Jan. 13, 1939

R. S. ZIMMERMAN, Clerk

By L. B. FIGG, Deputy Clerk. [170]

AFFIDAVIT OF SERVICE BY MAIL

(C. C. P. 1013a)

(Must be attached to original or a true copy of
paper served)

No. In Equity T-121-J

State of California,
County of Los Angeles—ss.

Ann G. Smith, being duly sworn, says, that affiant is a citizen of the United States, over 18 years of age, a resident of Los Angeles County and not a party to the within action. That affiant's business address is 1120 Rowan Building, Los Angeles, California. That affiant served a certified copy of the attached copy of original Order Fixing Time for Filing Objections by placing said copy in an envelope addressed to Thornton Wilson, Esq., at his office address, which is Central Bank Building, Oakland, California, which envelope was then sealed and postage fully prepaid thereon, and thereafter was on January 13, 1939, deposited in the United States Post Office at Los Angeles, California. That there is delivery service by United States mail at the place so addressed, or regular communication by United States mail between the place of mailing and the place so addressed.

ANN. G. SMITH

Subscribed and sworn to before me January 13,
1939.

B. J. BRADNER,

Notary Public in and for the
County of Los Angeles, State
of California.

[Seal] [171]

[Title of District Court and Cause.]

ORDER OF CONFIRMATION OF SALE OF
OIL LEASES AND PERSONAL PROP-
ERTY LOCATED THEREON OF LAKE
VIEW OIL AND REFINING COMPANY

This matter of confirmation of sale came on regularly for hearing on the 27th day of December, 1938, at the hour of ten o'clock A. M., and it appearing that on the 19th day of October, 1938, B. J. Bradner as Receiver herein filed a petition for order to sell the leases and personal property located on each of the demised premises for the sum of \$75,000.00, and hearing on said petition having been regularly set by the court for October 31, 1938, at the hour of 2:15 P. M., and written notice of said last mentioned hearing having been given by the Receiver to all the creditors and stockholders of Lake View Oil and Refining Company, and no one appearing to object to said petition, the court did on said 31st day of October, 1938, make and enter its order authorizing and directing the Receiver to sell the said leases and personal property (hereinafter described) to the highest bidder on the 10th day of December, 1938, at eleven o'clock A. M., of said day at the main entrance of the County Court House of Kern County, in the City of Bakersfield, County of Kern, State of California, for cash at a price of not less than \$75,000.00, and directing the manner of such sale and the percentage of the purchase price to be paid by

the bidder or bidders and the notice to be given of said sale; and it appearing that thereafter the said Receiver caused notice to be given of said sale in the manner directed [172] by said last mentioned order, and it appearing in that connection that said Receiver caused a publication of the notice of said sale to be published once a week for four successive weeks and to-wit: On November 2, 9, 16, 23 and 30, 1938, in The Daily Report a newspaper printed and regularly issued and having a general circulation in the County of Kern, State of California, and did cause written notice of said sale to be given to all creditors and stockholders of Lake View Oil and Refining Company and did on the 10th day of December, 1938, at the hour of eleven o'clock A. M., of said day offer for sale first by parcels and then as a whole the said oil leases and personal property located thereon (hereinafter described) and said Receiver having thereafter and on the 14th day of December, 1938, filed herein his return of said sale and his petition for confirmation of said sale from which it appears that said Receiver did at said sale sell, subject to the confirmation by the court and to higher bids in open court at the time of confirmation, and in accordance with the prior order of the court, said leases and personal property located thereon in accordance with the highest and best bids made therefor, to-wit:

To Hillman-Long, Inc., a corporation, which through and by Loren L. Hillman, its President,

bid the sum of \$37,000.00 in cash for the "Elk Hill Lease" (hereinafter described);

To A. D. Mitchell who bid the sum of \$48,500.00 in cash for the "Pentland Lease" (hereinafter described);

To A. D. Mitchell who bid the sum of \$3750.00 in cash for the "1st El Dora (Main) Lease" (hereinafter described);

To A. D. Mitchell who bid the sum of \$3100.00 in cash for the "2nd El Dora-Smith Lease" (hereinafter described);

To Bishop Oil Company, which through and by W. I. Cunningham, its Geologist, bid the sum of \$8200 in cash for the "Midway Field Lease" (hereinafter described); [173]

and the court having set said last mentioned petition for hearing on the 27th day of December, 1938, at the hour of ten o'clock A. M., of said day and by order required notice to be given of the hearing on said last mentioned petition, and it appearing that said Receiver did give notice of said last mentioned hearing by mailing notice of the order setting said petition for hearing to all the known creditors and stockholders of Lake View Oil and Refining Company, a corporation, at least ten (10) days prior to the date of said hearing and by publication of a copy of said last mentioned order for three successive days prior to the date of said hearing in the Los Angeles Daily Journal, Los Angeles, California, and for three successive

days prior to the date of said hearing in *The Daily Report of Bakersfield, California*, and did cause a copy of said last mentioned petition, together with a copy of said last mentioned order to be served upon the parties herein and upon the respective purchasers by registered mail, postage prepaid, not less than ten (10) days before the hearing on said last mentioned petition, and did in all respects (whether expressly set forth or enumerated herein or not) comply with the aforementioned orders of this court; and this matter having come on for hearing as heretofore stated on the 27th day of December, 1938, at ten o'clock A. M. of said day and certain creditors appearing by counsel Joseph J. Rifkind, Esq., and urging the confirmation of sale of said leases and the personal property located thereon at the prices theretofore bid therefor or at such higher price or prices as might be bid in open court and none of the creditors appearing to object to the confirmation of said sale, and one F. G. White appearing by counsel Thornton Wilson, Esq., as a director and stockholder of Lake View Oil and Refining Company and on said 27th day of December, 1938, and not before, having filed his protest to the confirmation of said sale and in open court withdrawing protest as to sale of the Elk Hill lease, and having offered to prove certain facts to which offer objection was made and by the court sustained, and the court [174] then having announced in open court that higher bids might be

made for any or all of said properties by any person or persons desiring to make such bid or bids, and having directed said Receiver in open court to offer said properties for higher bids and as a result thereof higher bids were made for the 1st El Dora (Main) Lease" (hereinafter described) A. D. Mitchell finally making the highest bid therefor, to-wit: \$7,500.00 and higher bids were made for the "Midway Field Lease" (hereinafter described) and as a result thereof, A. D. Mitchell finally made the highest bid therefor, to-wit: \$9,100.00 and no higher bids having been made separately for the "Pentland," and "2nd El Dora-Smith" and "Elk Hill" Leases hereinafter more particularly described and all of said properties then having been offered for a higher bid or bids, and no one offering to bid more than the sum of \$105,200.00 for the whole of said properties, being the aggregate sum of the highest bids for each of said properties when offered by parcels, and good cause appearing therefor;

It Is Hereby Ordered, Adjudged and Decreed that the sale of each of the leases and the personal property located thereon (hereinafter more particularly described) be and the same is hereby confirmed to the respective purchasers hereinafter set forth and at the prices hereinafter set forth, and subject to all the terms and conditions of this order; the sale of each lease and the personal property located thereon being separately confirmed to said respective purchaser independently of the sale

of any other lease and the personal property thereon and all of said sales being confirmed as a whole.

It Is Further Ordered, Adjudged and Decreed that said Receiver is hereby instructed, authorized and directed to execute to each of the purchasers any and all conveyance or conveyances necessary and proper in the premises and by such instrument or [175] instruments of conveyance, said Receiver shall convey and transfer, to each of the purchasers the property sold to the respective purchaser and all the right, title and interest of said Receiver, as such, and all the right, title and interest of said Lake View Oil and Refining Company, a corporation, of, in and to the respective leases and personal property located thereon, assigned, transferred and conveyed.

That the said Receiver is hereby authorized and directed to deliver said instrument or instruments of conveyance into escrow with the Title Insurance and Trust Company of Los Angeles, hereby designated as escrow officer for such purpose, for delivery to each of said purchasers, respectively, when said escrow officer holds for the account of said Receiver, the balance of the purchase price due from such purchaser. That concurrently with or within five (5) days after receiving notice of delivery into escrow by said Receiver of the conveyance or conveyances herein required to be delivered by him respecting any one of said leases and the personal property located thereon, the purchaser

of said lease and said personal property shall pay into said escrow the unpaid balance of the purchase price in cash, for the benefit of the receivership estate and to be paid to said B. J. Bradner, as such Receiver, as to each lease, respectively, when the Title Insurance and Trust Company of Los Angeles, California, is able to deliver to the purchaser of the respective lease, any and all conveyance or conveyances necessary and proper in the premises and a title report or certificate or other evidence of title (unless such report or certificate or other evidence of title as to any particular lease shall be waived in writing by the purchaser of that lease, in which event the delivery of such title report or certificate or other evidence of title shall not be a condition precedent to the payment to said Receiver of the balance of the purchase price of such lease) [176] showing the title to said oil lease and personal property located thereon, as hereinafter more particularly described, vested in the respective purchaser, free and clear of liens and encumbrances, except such as are approved by the respective purchasers, but subject to all the terms, conditions and provisions contained in such lease.

That when the said Title Insurance and Trust Company is able to deliver any and all conveyance or conveyances necessary and proper to be delivered respecting any one of said leases and the personal property located thereon, together with the

title report or certificate or other evidence of title (unless waived) hereinbefore provided for, it may cause to be recorded such conveyance or conveyances, respecting such lease and the personal property, executed and delivered into said escrow by said B. J. Bradner, Receiver, as aforesaid, in the office of the County Recorder of Kern County, California, and shall pay over unto the said B. J. Bradner, Receiver for Lake View Oil and Refining Company, the unpaid balance of the purchase price so paid into escrow by the purchaser of said lease and personal property, after deducting from said sum necessary escrow fees and charges and expenses necessarily incurred and paid by said Title Insurance and Trust Company in the closing of said escrow as to such particular lease.

That upon the closing of said escrow as to any particular lease and the personal property located thereon and the delivery of the conveyance or conveyances, assignment or assignments relating to said lease and personal property to the respective purchaser, such purchaser shall be let into possession of the particular oil lease and personal property purchased by him or it and hereinafter more particularly described and the Receiver herein shall forthwith deliver said oil lease and personal property to such purchaser, and thereafter the respective purchaser shall [177] hold possession of said oil lease and the personal property so transferred to him or it and every part thereof free from all

claims, rights, interest or equities of, in or to the same or any part thereof by Lake View Oil and Refining Company, a corporation, or any creditor or stockholder of said corporation or any person claiming by or through them or either or any of them and free from all claims, rights, interest or equities of said Receiver or any creditor of or claimant against said Receiver or any person claiming by or through them or any of them, with the exception, however, that the sale of said leases and personal property is made subject to all the terms, conditions and provisions contained in said leases, and that there is not included in said sale oil or oil products on hand on date of delivery of possession, and all said oil and oil products to remain the property of the Receiver, and the office furniture and equipment in the main office at Los Angeles, California, is not included in said sale or sales, nor are any of the assets of the receivership estate, other than said leases and the personal property, located thereon.

That said defendant corporation, its officers, agents, servants and employees and all creditors and stockholders of and claimants against said corporation and each of them and all persons claiming under or through them or any of them and all parties to this proceeding and all creditors of and

claimants against said Receiver and all persons claiming under or through them or any of them are hereby perpetually enjoined, restrained and debarred from asserting or causing to be asserted any claims in or to said leases or the personal property located thereon or any part thereof adverse to the rights and title of the respective purchasers thereof acquired in accordance with this order and from interfering or attempting to interfere in any way with the said rights and title of the respective purchasers or the possession or operation of the properties, under said leases, by said respective purchasers, [178] their respective successors, assigns or personal representatives, and from interfering or attempting to interfere in any way with or preventing or attempting to prevent compliance with or the execution or carrying out of this order by said Receiver or others.

It Is Further Ordered, Adjudged and Decreed that the properties, sale of which is confirmed hereby, the respective purchasers thereof and the respective purchase prices thereof are as follows:

Hillman-Long, Inc., a corporation, which purchased for the sum of \$37,000.00 in cash, the following:

Elk Hill Lease

That certain oil and gas lease dated June 1, 1921, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Visalia 09704, and also

known as Sacramento 019477, and Lake View No. 2 Oil Company, a California corporation, as lessee which company's name was changed to Lake View Oil and Refining Company, covering that certain tract of land situated in the Elk Hill oil field and more particularly described as follows:

W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$
SW $\frac{1}{4}$ Sec. 8, T. 31 S., R. 25 E., M. D. M., Kern
County, California;

that the Department of the Interior approved the suspension of drilling and producing requirements under said lease and also suspended payment of annual rental effective June 1, 1934; that transfer of title of said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease. No personal property is located on said lease.

A. D. Mitchell who purchased for the sum of \$48,500.00 in cash, the following: [179]

Pentland Lease

That certain oil and gas lease made and entered into on the 18th day of November, 1927, by and between Carrie Parkinson, a widow, as lessor, and Lake View Oil and Refining Company, a corporation, as lessee, covering the premises described as follows, to-wit:

The northwest quarter (NW $\frac{1}{4}$) of section four (4) township 11 north, range 23 west, S. B. B. & M., Kern county, California, con-

taining one hundred sixty (160) acres, more or less;

which includes producing wells located thereon; but that Title Insurance and Trust Company of Los Angeles, California, by mesne conveyances now is the owner of said premises; that there is personal property located on said lease consisting of a refinery, derricks, well equipment, buildings, tankage, oil well machinery, boiler plants, machine shop, fire apparatus, trucks, automobiles, field office furniture, houses, household furniture and producing oil wells; that upon transfer of title, assignment of said lease may be subject to the consent of the Title Insurance and Trust Company of Los Angeles; that there is located on said lease as a part of the personal property an electric dehydrating unit C-241, licensed by the Petroleum Rectifying Company, which has been operated by the receivership under a non-assignable License Agreement dated October 1, 1927, and said unit is sold only on condition that the buyer enter into a License Agreement with the Petroleum Rectifying Company covering said unit.

A. D. Mitchell who purchased for the sum of \$7,500.00 in cash the following:

1st El Dora (Main) Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, and the El Dora Oil Company of Los Angeles, California, a cor-

pora- [180] tion, lessee, same being Los Angeles Serial No. 033378, covering land described as follows:

The south half ($S\frac{1}{2}$) of the northwest quarter ($NW\frac{1}{4}$) of the southeast quarter ($SE\frac{1}{4}$) of section thirty-two (32), township twelve (12) north, of range twenty-three (23) west, San Bernardino Base and Meridian, Kern County, California;

which includes producing wells located thereon; that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that there is personal property located on said lease consisting of derricks, pipes, casing, machinery, tanks, buildings, appliances and equipment; that transfer of title of said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

A. D. Mitchell, who purchased for the sum of \$3100.00 in cash the following:

2nd El Dora-Smith Lease

That certain oil and gas lease dated the 20th day of April, 1922, by and between the United States of America, as lessor, acting in this behalf by the

Secretary of the Interior, and the El Dora Oil Company, as lessee, same being Los Angeles Serial No. 034641, covering land situated in the Sunset field and more particularly described as follows:

Lot 7, section 6, township 11 N., range 23 W., San Bernardino Meridian, Kern County, California;

that said lease was assigned to the Lake View Oil and Refining Company under date of the 7th day of November, 1927, by F. M. Smith, trustee in bankruptcy of the estate of El Dora Oil Company; that said assignment was approved on December 22, 1927, by the Department of the Interior; that drilling operations were [181] suspended by the Secretary of the Interior on August 28, 1934, and suspension of rentals became effective on April 20, 1934; that transfer of title of said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease. No personal property is located on said lease.

A. D. Mitchell, who purchased for the sum of \$9100.00 in cash the following:

Midway Field Lease

That certain oil and gas lease dated the 23rd day of August, 1920, by and between the United States of America, as lessor, acting in this behalf by the Secretary of the Interior, same being Serial Los Angeles 033396a, and Midway Field Oil Company, a corporation, as lessee, covering the follow-

ing described tract of land situated in the county of Kern, California, and more particularly described as follows:

The north fifty (50) acres of the west one hundred (100) acres of the southwest quarter (SW $\frac{1}{4}$) of section four (4), township eleven (11) north, range twenty-three (23) west, San Bernardino Meridian, Kern county, California;

which includes producing wells located thereon; that said lease and all the physical personal property thereon by mesne conveyances was transferred to the Lake View No. 2 Oil Company, a corporation, (which company's name was changed to the Lake View Oil and Refining Company) on the 27th day of June, 1921, by the Midway Field Oil Company, and the assignment and transfer was approved by the Secretary of the Interior on July 11, 1921; that there is personal property located thereon consisting of derricks, rigs, casing, machinery, equipment, tools and appliances; that transfer of title of said lease is subject to the approval of the Department of the Interior, and subject to a new bond covering said lease.

It Is Further Ordered by the Court that the Receiver hold said funds arising from the sale of said oil leases and [182] personal property located thereon, subject to the further orders of this court.

It Is Further Ordered that this court reserves the power and jurisdiction to make any further

order or orders which the court may deem necessary or advisable to complete the consummation of the sales herein confirmed.

Done this 20 day of January, 1939.

[Seal] WM. P. JAMES,
Judge of the U. S. District Court.

Judgment entered Jan. 20, 1939. Docketed Jan. 20, 1939. Book COBK Page, R. S. Zimmerman, Clerk. By Murray E. Wire, Deputy.

[Endorsed]: Filed Jan. 20, 1939, R. S. Zimmerman, Clerk. By Murray E. Wire, Deputy Clerk.

[183]

[Title of District Court and Cause.]

OBJECTION AND PROPOSED AMENDMENT
TO ORDER OF CONFIRMATION OF
SALE OF OIL LEASES AND PERSONAL
PROPERTY LOCATED THEREON OF
LAKE VIEW OIL AND REFINING COM-
PANY.

Now comes F. G. White, through his attorney and counsel, Thornton Wilson, Esq., and in objecting and offering amendments to the order of confirmation of sale of oil leases and personal property located thereon of Lake View Oil and Refining Company, alleges as follows:

OBJECTIONS

F. G. White, as a Director and stockholder of Lake View Oil and Refining Company, objects to the said order of confirmation of sale and any and all parts thereof on the ground that said assets are being sold for grossly inadequate consideration, a consideration so inadequate as to shock the conscience of the Court.

F. G. White proposes that the following amendment be [185] inserted in said order confirming sale to take the place of that portion of the order commencing on line 26, page 3, with the words "and one F. G. White", and ending with the word "sustained" on line 32, page 3, to-wit:

PROPOSED AMENDMENT

That one F. G. White, appearing by counsel Thornton Wilson, Esq., as a Director and stockholder of Lake View Oil and Refining Company, on said 27th day of December, 1938, filed his protest to the confirmation of said sale and in open Court and prior to said confirmation offered to prove as follows:

1. That no appraisalment has been made by the Receiver of said oil properties for more than one year last past.

2. That new and deeper oil sands have been discovered on said properties within one year last past.

3. That in the opinion of a recognized petroleum and consulting engineer, who was then and there

present in Court, sworn and offered to testify, the said Pentland lease alone now has a value, because of said discovery of deeper sands, in excess of Two Million Dollars (\$2,000,000.00).

4. That by the expenditure of not to exceed \$25,000.00 of the \$50,000.00 in cash which the Receiver now has on hand, the said wells on the Pentland lease could be lowered to said deeper sands, thereby greatly increasing the present production of said Lake View Oil and Refining Company to such an extent that the creditors could be paid off in full in short order and the properties saved to the stockholders.

5. That in open Court said F. G. White offered to prove all of the above allegations and further prove that in view of said deeper sands it was unnecessary to sell any of the assets of said company, but that the Court sustained objections to said proof and announced that it did not believe any evidence [186] which said F. G. White could offer would change the mind of the Court.

Dated: January 19, 1939.

THORNTON WILSON,

Attorney for F. G. White.

[Endorsed]: Filed Jan. 20, 1939, R. S. Zimmerman, Clerk. By Murray E. Wire, Deputy Clerk.

[187]

[Title of District Court and Cause.]

NOTICE OF APPEAL TO THE CIRCUIT
COURT OF APPEALS UNDER RULE 73-d

Notice Is Hereby Given that F. G. White, an objector herein to the sale of the assets of Lakeview Oil and Refining Company, a corporation, hereby appeals to the Circuit Court of Appeals for the Ninth Circuit from the Order Confirming Sale entered herein on the 27th day of December, 1938.

Dated this 24th day of March, 1939.

THORNTON WILSON,
Attorney for Objector, F. G. White
Central Bank Building
Oakland, California.

Copy mailed to Bradner & Weil, attorneys for receiver, and to Joseph J. Rifkind, attorney for Oil Well Supply Co., a creditor, 3/27/39. E.L.S.

[Endorsed]: Filed Mar. 27, 1939, R. S. Zimmerman, Clerk. By Edmund L. Smith, Deputy Clerk. Docketed.

[Endorsed]: No. 9193. U.S.C.C.A. 9th Cir. Filed May 27, 1939. Paul P. O'Brien, Clerk. [187A]

In the District Court of the United States, Southern
District of California, Central Division

In Equity No. T-121-J

NORA L. POWERS, et al,

Complainants,

vs.

LAKEVIEW OIL AND REFINING COMPANY,
a corporation,

Defendant.

DESIGNATION OF CONTENTS OF RECORD
ON APPEAL.

Appellant herein designates the following portions of the record, petitions, documents and orders to be contained in the record on appeal:

1. Receiver's petition for confirmation of sale of personal property of Lakeview Oil and Refining Company.

2. Protest of F. G. White on Hearing of Petition of Receiver for Confirmation of Sale.

3. Order of Confirmation of Sale of Oil Leases and Personal Property Located Thereon of Lakeview Oil and Refining Company.

4. Objection and Proposed Amendment to Order of Confirmation of Sale of Oil Leases and Personal Property Located Thereon of Lakeview Oil and Refining Company.

5. Reporter's transcript stenographically reported at the hearing for confirmation of Receiver's

sale of oil leases and personal property of Lakeview Oil and Refining Company.

Attached hereto are two copies of the Reporter's transcript of the evidence of the proceedings included in this designation.

Dated this 13th day of April, 1939.

THORNTON WILSON

Attorney for Appellant

Receipt of a copy of the within Designation is hereby admitted this 15 day of April, 1939.

BRADNER & WEIL

By A. G. SMITH

R. DECHTER

By E. ZARINGER

JOS. J. RIFKIND

Atty. for Oil Well Supply Co.

Creditor

[Endorsed]: Filed Apr. 17, 1939. R. S. Zimmerman, Clerk. By L. B. Figg, Deputy Clerk. [188]

[Title of District Court and Cause.]

DESIGNATION OF ADDITIONAL PORTIONS
OF RECORD ON APPEAL.

To the Clerk of the District Court of the United States in and for the Southern District of California, Central Division, and to F. G. White, Objector and Appellant Herein, and to Thornton Wilson, Esq., as Attorney:

You and Each of You Will Please Take Notice that B. J. Bradner, as Receiver for Lake View Oil

and Refining Company, designates the following additional portions of the record and proceedings and evidence in the above entitled matter to be contained in the record of appeal in the United States Circuit Court of Appeals for the Ninth Circuit:

1. Order appointing Paul J. Hisey as Receiver for Lake View Oil and Refining Company, a corporation.

2. Order appointing B. J. Bradner as Receiver for Lake View Oil and Refining Company, a corporation.

3. Petition of Receiver for order to sell the leases and the personal property located thereon, filed herein on or about October 19, 1938.

4. Order for hearing on said last mentioned petition.

5. Affidavit of service of notice of hearing on said last mentioned petition, filed herein on or about October 22, 1938.

6. Minutes of October 31, 1938, relating to hearing on said last mentioned petition. [189]

7. Order of sale of oil leases and personal property located thereon of October 31, 1938.

8. Notice of sale of oil leases and personal property located thereon and order approving form of notice, filed herein on or about October 31, 1938.

9. Affidavit of service by mailing of notice of sale, which affidavit was filed herein on or about November 9, 1938.

10. Affidavit of posting of notice of sale, which affidavit was filed herein on or about December 2, 1938.

11. Affidavit of publication of notice of sale of oil leases and personal property located thereon, which affidavit was filed herein on or about December 2, 1938.

12. Receiver's report and return of sale of oil leases and personal property located thereon filed herein on or about December 14, 1938.

13. Order for hearing on petition of receiver for confirmation of sale of oil leases and personal property located thereon, said order being dated December 14, 1938.

14. Affidavit of publication of order for hearing on petition of receiver for confirmation of sale of oil leases and personal property located thereon, which affidavit was filed herein on or about December 17, 1938.

15. Affidavit of service by mailing of copy of order for hearing on petition of receiver for confirmation of sale together with petition of receiver for confirmation of sale, which affidavit is the affidavit of B. J. Bradner, filed herein on or about December 21, 1938.

16. Affidavit of service by mailing of order for hearing on petition of receiver for confirmation of sale, which affidavit is the affidavit of E. C. Perizo, filed herein on or about December 21, 1938.

17. Affidavit of publication of order for hearing on [190] petition of receiver for confirmation of sale of oil leases and personal property located thereon, filed herein on or about December 23, 1938.

18. Minutes of December 27, 1938, relating to hearing on petition for confirmation of sale.

19. Order of January 13, 1939, fixing time for filing of objections.

20. Affidavit of service of said last mentioned order, which affidavit was filed herein on or about January 14, 1939.

21. Order of confirmation of sale of oil leases and personal property located thereon made and entered on January 20, 1939.

22. Audit of Thomson, Cooper & Thomson, dated April 30, 1938, filed herein on or about June 6, 1938, together with order approving said audit, made herein in October, 1938.

23. Appraisal of Ralph J. Reed, filed herein on or about April 17, 1937, and appraisal of Glen M. Ruby and A. A. Curtice, filed herein on or about April 17, 1937.

Dated this 25th day of April, 1939.

BRADNER AND WEIL,

By JEROLD E. WEIL,

Attorneys for Appellee.

B. J. Bradner, as Receiver for
Lake View Oil and Refining
Company.

[Endorsed]: Filed Apr. 25, 1939. R. S. Zimmerman, Clerk. By Edmund L. Smith, Deputy Clerk.

[191]

[Title of District Court and Cause.]

REPORTER'S TRANSCRIPT OF HEARING
ON RECEIVER'S REPORT AND RETURN
OF SALE OF CERTAIN OIL LEASES
AND PERSONAL PROPERTY LOCATED
THEREON, OF LAKE VIEW OIL & RE-
FINING COMPANY, AND PETITION OF
B. J. BRADNER, RECEIVER, FOR CON-
FIRMATION OF SALE OF OIL LEASES
AND PERSONAL PROPERTY LOCATED
THEREON, FILED 12/14/38, PURSUANT
TO ORDER FILED THEREWITH, SET-
TING THIS DAY FOR HEARING.

Appearances:

Bradner & Weil,

For the Receiver.

J. J. Rifkind, Esq.,

For Oil Well Supply Company, a creditor.

Thornton Wilson, Esq.,

For F. G. White, a director and stockholder.

Raphael Dechter, Esq.,

For A. D. Mitchell, a bidder.

Los Angeles, California,

Tuesday, December 27, 1938, 10 A. M.

Mr. Bradner: If your Honor please, I have just been served with a notice of protest here in the court room, and I suppose the protestant will want to be heard on it.

Mr. Wilson: If the court please, my name is Thornton Wilson, and I represent F. G. White, a director and also a stockholder of the Lake View Oil Company. The protest is quite short, and, with your Honor's permission, I will read it and will ask that it be filed.

The Court: Very well.

Mr. Wilson:

“Now comes F. G. White and protests the sale of the assets, including various leases and personal property of the Lakeview Oil and Refining Company, and by way of protest alleges:

“I. That he is one of the Directors of the Lakeview Oil and Refining Company, and that he is also a stockholder and represents various stockholders owning large blocks of stock of said corporation.

“II. That if the sale of the assets for the consideration heretofore agreed upon is confirmed, the Receiver will not receive sufficient to pay off the creditors of the corporation in full, and there will be nothing whatsoever remaining for the stockholders of said corporation.

“III. That at the inception of the Receivership herein, the properties which the Receiver now proposes to sell for a total sum of approximately \$100,550.00 were appraised at \$1,024,965.44, and the total indebtedness of said corporation was approximately \$289,549.91;

that said indebtedness has now been reduced to \$231,266.76 during said receivership.

“IV. Your petitioner is informed and believes, and therefore alleges, that the Receiver now has on hand sums in excess of \$54,000.00. Your petitioner further alleges that the properties which the Receiver proposes to sell were appraised within a year last past for a sum in excess of \$158,000.00; that because of new and deeper oil sands which have been discovered, all of said properties have materially increased in value since said appraisement.

“V. Your petitioner further alleges that the proposed sale of each of said leases and assets of the said corporation is for a grossly inadequate consideration.

“VI. That if an appraisement were made at the present time, your petitioner believes and therefore alleges that all of said properties would show a material increase in value, and that the value of a new appraisement would show sufficient assets to pay all creditors in full and still leave a substantial equity for the stockholders of said corporation.

“VII. That if the Receivership were continued and allowed to carry on at its present rate, the creditors would all be paid off in full and the entire properties saved to the stockholders; that your petitioner is informed and believes that the auditor's report herein will show that there has been an operating profit

since the Receivership and during the last eight years in excess of \$170,000.00.”

The Court: Taking care of depreciation?

Mr. Wilson: Beg pardon?

The Court: Taking care of depreciation meanwhile?

Mr. Wilson: That, your Honor, I am not prepared to answer.

The Court: Well, that is a pretty big item, don't worry about that. I think some of the creditors may be prepared to answer that.

Mr. Rifkind: There has been no reserve for depreciation, obsolescence, etc. We have lived with this thing many years, your Honor.

Mr. Wilson: I realize that your Honor may be very familiar with it.

The Court: Yes; I am.

Mr. Wilson:

“Wherefore, your petitioner prays:

“I. That the confirmation of sale of said assets be denied; or,

“II. In lieu thereof this court continue the hearing on the confirmation of sale for a period of thirty days, and that during the interim this Honorable Court appoint three disinterested parties to make a current appraisement of said properties, and that at least one of said appraisers be a recognized consulting petroleum engineer to be nominated by your petitioner, and that said appraisers be instructed to have said appraisement on file herein at least ten

days prior to said further hearing on confirmation of sale herein.”

Followed by the verification of F. G. White.

If I may just add to this statement: We have present in the court room a recognized consulting petroleum engineer with whom we have advised and whom I know your Honor would consider very familiar with the properties if he were allowed to testify.

He informs us that the Elk Hills Lease should not be disturbed; and, to that extent, I wish to modify this petition. I have no objection to the \$37,000, approximately, that was bid for the Elk Hills Lease.

As to the Pentland Lease in particular, and in view of the oil reserves which have been discovered only recently, we are prepared to put on testimony to the effect that the lease is worth more than \$2,000,000.

The Court: That is, you mean the gambler's chance of the oil being discovered in closer quarters?

Mr. Wilson: Not a gambler's chance, hardly, in view of the testimony which we would be glad to present to your Honor. Mr. Suverkrop (?) is in the court room.

Mr. Rifkind: May it please the court, I represent the Oil Well Supply Company, a creditor to the extent of some \$15,000 to \$20,000—I do not remember the exact amount—and we are in favor of the confirmation of the sale as returned, or any

better offer that can be obtained in price here today.

In connection with the matter, let me state that a receiver was appointed for the Lake View Oil and Refining Company in March, 1931. In other words, this property has been in custodia legis for approximately eight years. It seems to me that the first and foremost consideration is that of the creditors; secondarily, that of the stockholders.

This court, approximately a year ago, appointed three competent appraisers to make an appraisal of this property, and an appraisal was made showing the value of this property to be approximately \$150,000. On July 27th of this year a meeting was held at the Bank of America National Trust and Savings Association at which there was then and there present an overwhelming majority of creditors, and I would say an overwhelming number of creditors. In other words, I am definite that the creditors then and there represented would be around 80 to 90 per cent of the creditors; and I am also satisfied there was a majority in number present, too. I have here the assistant vice-president of the Bank of America who may be able to enlighten us as to that if that becomes necessary. At that particular time it was the unanimous opinion of all the creditors there and then assembled—and I want to say that some of the men who were present were not only creditors but experienced business men and experienced oil men. For instance, we had a representative there of the Union Oil Company; we had a repre-

representative of the O. C. Fields Gasoline Company; we had a representative there of Oil Well Supply Company; we had a representative of the Republic Supply Company; we had representatives of the Bank of America, and other men—yes; representatives of the Taft Well Drilling Company, and other representatives of that type, and they unanimously were in favor of the immediate liquidation, immediate sale of the property in this receivership so that it be converted into cash and dividends be paid to the creditors.

We are not interested in speculation; we are not interested in potential profits. Surely, there must be some potential profits. I suppose any buyer who makes a bid figures that, but we can't go on indefinitely. We have had more than a reasonable opportunity for this thing to work itself out in the natural course of events, and surely the time has come when this receivership should be liquidated.

Your Honor will further recall that that meeting appointed a committee consisting of Clarence Hanson, attorney for the Bank of America, myself, as attorney for the Oil Well Supply Company, and Adolph Ramish, representing himself, a committee of creditors called upon your Honor shortly after July 20, 1938, and conveyed to your Honor that it was the consensus of opinion of the creditors of this estate that the assets be liquidated and sold as soon as possible, and requested your Honor to direct and instruct the Receiver accordingly. Pursuant to that the Receiver did get busy, advertised it and

a sale *as* been effected, and unless there is a higher and better bidder for cash today, we recommend that the sale be confirmed.

We do not feel that the protest is in order. If there are any higher bids, let them come forward, let them produce higher bidders. But merely because they may say there is some future or potential possibility, I do not think it should enter into the case.

Mr. Wilson: Now, if the court please, the present bid is approximately two-thirds of the appraisal of about a year ago. We are prepared to offer testimony that within the last year oil sands have been discovered which make this property, if it were appraised today, ten times the value of the appraisal of a year ago. True, a great many creditors have met—no doubt they have met often. They are anxious to have their money even if they take 50 cents on the dollar. I did not hear him say that petroleum engineers were there and others who were interested in telling the Receiver what the real value of the property is.

The Court: Why have not these stockholders who now appear to oppose the liquidation, after all these years from 1931—why haven't they gathered together some good buyer who would raise this price if it is so valuable, I will say that I have determined not to carry on this receivership any longer. It has been here too long. I would not do it.

Mr. Wilson: May we offer testimony, your Honor, as to the value of the property of the Pentland Lease?

The Court: If you wish to make a point of it I will allow you to make your offer and have an exception to it. But it is not going to change my mind at the present time because these things have been advertised; we have had meetings and hearings; we have had reports of the Receiver, and everybody has had a chance to tell us anything that there was to be told, and it was finally, after carrying on and carrying on a long time, determined this Receiver cannot maintain that management profitably. To be sure, there is a little profit shown but I will venture to say he will tell you that he has not charged a cent of depreciation against it. And where are you?

No. 2: There is no Receiver who, for a great length of time, can properly operate an oil producing property for the reason that, as the years go by, development is needed to keep up the profit and quantity. No creditor nor group of creditors would come in here and attempt to prove before the court that the borrowing of \$100,000 to put down an oil well was profitable; neither would the court order it. So the natural progress is that they depreciate and depreciate, and you have not only a sample of it in this case—striking in this case—but in other cases.

If you wish to make an offer for the purpose of the record the reporter may take it down, I will rule on it and you have your exception.

Mr. Wilson: Thank you, your Honor. Mr. Suverkrop.

Mr. Dechter: May I make an observation, your Honor, that this protest comes too late?

The Court: What I mean just for the moment, counsel, is that you express yourself that you now produce a witness and that you offer to prove thus and so, and I will deny your right to do that, and that you will preserve your exception, without putting the witness on the stand.

Mr. Wilson: Thank you. You may sit down, Mr. Suverkrop.

Mr. Dechter: I would like to call your attention to the fact that the record shows that your Honor ordered this sale to be made at public auction at Bakersfield, Kern County, the county in which the property is located, that in the order thus made, in the notice to creditors, notice to the public and the advertisements, it was definitely stipulated that this court would accept a bid of \$75,000 if no better bid was received. No objection was made to that procedure being taken. I think the motion should have been made before the Receiver had gone to the expense of a sale advertisement and before the court had made the order. A stockholder at that time could have asked for an order limiting the sale to a certain amount. It seems to me that the protest and motion to vacate the sale comes too late at the present time.

The Court: Make your record. The remarks are in the record and counsel can make his offer of proof now.

Mr. Wilson: There is present in the court room now Mr. Lew Suverkrop, a recognized petroleum and consulting engineer and geologist, for many years with the Department of the United States government a man owning adjoining property, prepared to testify that within the past year other and deeper sands have been discovered in cross-sections adjoining this property, which definitely prove that there are deeper and better sands particularly on the Pentland Lease, from which any petroleum engineer would conclude that these properties—the Pentland Lease in particular alone—has a reserve value of in excess of \$2,000,000; that if the Receiver would use \$150,000 with \$50,000 he now has on hand to deepen his present wells, within a very short time he would have sufficient profits from the wells on the Pentland Lease alone to pay all of the creditors, and that after the creditors were paid the stockholders would receive back their company intact.

The Court: The offer at this time——

Mr. Wilson: I think that about covers it.

Mr. Rifkind: May it please the court, at this time I would like to make an objection for the record upon the ground that the testimony proposed to be produced and offered is incompetent, irrelevant and immaterial; that the only purpose of this meeting is to confirm this sale or any higher bid,

and unless there is a higher bid there is no issue before this court.

Mr. Wilson: Of course, it is recognized, your Honor, that we have three months within which to appeal; that the sale would not become final until that time, and we are merely trying to perfect the record because we do intend to appeal if this sale is confirmed.

The Court: That the record may be complete in favor of the offering party, the offer which counsel now expresses, and produces a witness asking that he be sworn, is refused by the court and exception noted. Furthermore, the court is of the opinion that the objections as expressed by other counsel should be sustained, and they are sustained and exception will show in favor of the offering party.

Did you have anything to say, Mr. Bradner? You have had this matter under consideration.

Mr. Bradner: Nothing, except to take up the matter of the confirmation.

The Court: You can proceed as the auctioneer. It is the custom that the Receiver acts as auctioneer.

Mr. Bradner: The Pentland was bid in by \$45,500. Is there any further or better offer on the Pentland Lease at this time?

The Court: I will state preliminarily that we will take up the separate offers on the separate leases, and in conclusion, if there is any one bidder who will bid on the whole for an aggregate higher price his bid will be considered.

Mr. Bradner: It is \$48,500 that Mitchell has offered for the Pentland Lease. Is there any further or greater offer being made at this time?

The Court: Any bidder's voice will be heard. It seems now to be the highest bid and will be confirmed unless there is an aggregate bid that overreaches. Proceed with the next one.

Mr. Bradner: The El Dora (main) lease, the offer of Dick Mitchell was \$3,750. Is there any further or greater offer made for that lease at this time?

Mr. Gordon Holmes: Yes, your Honor. May I bid \$4,300?

Mr. Bradner: You will have to come forward with your name.

Mr. Holmes: Gordon Holmes.

Mr. Bradner: Gordon Holmes bids \$4,200.

Mr. Holmes: \$4,300.

Mr. Bradner: \$4,300. Is there any further or greater bid made than \$4,300 for the El Dora (main) lease?

Mr. A. D. Mitchell: \$4,500.

Mr. Bradner: Who is making that?

Mr. Mitchell: A. D. Mitchell.

Mr. Bradner: Mitchell raises it to \$4,500. Any further or greater bid than \$4,500?

Mr. Holmes: \$4,600—Holmes.

Mr. Bradner: \$4,600 by Holmes.

Mr. Mitchell: Forty-seven.

Mr. Bradner: Forty-seven, Mitchell.

Mr. Holmes: Forty-eight hundred.

Mr. Mitchell: Forty-nine.

Mr. Holmes: Five thousand, Holmes.

Mr. Mitchell: Five thousand one hundred.

Mr. Bradner: Just a little slower. We can't keep up with you. The last bid was \$5,100 by Holmes?

The Clerk: No; by Mitchell.

Mr. Holmes: Fifty-two hundred.

Mr. Mitchell: Fifty-three hundred.

Mr. Holmes: Fifty-four hundred by Holmes.

Mr. Dechter: I would like to know if Mr. Holmes has shown he is qualified to bid. Mr. Mitchell has put up the necessary deposit and assured the Receiver that he is qualified. We have no assurance on the part of Mr. Holmes. We require a cashier's check of at least ten per cent to be a bidder.

Mr. Bradner: Here is a cashier's check for \$5,000.

The Court: \$5,400 by Mr. Holmes is the last bid.

Mr. Mitchell: Fifty-five hundred.

Mr. Bradner: Mitchell, fifty-five hundred.

Mr. Holmes: Fifty-six.

Mr. Mitchell: Fifty-seven.

Mr. Holmes: Fifty-eight.

Mr. Mitchell: Fifty-nine.

Mr. Holmes: Sixty.

Mr. Mitchell: Sixty-one.

Mr. Holmes: Sixty-two.

Mr. Mitchell: Sixty-three.

Mr. Holmes: Sixty-four.

Mr. Mitchell: Sixty-five.

Mr. Holmes: Sixty-six.

Mr. Mitchell: Sixty-seven.

Mr. Holmes: Sixty-eight.

Mr. Mitchell: Sixty-nine.

Mr. Holmes: Seventy.

Mr. Mitchell: Seventy-one.

Mr. Holmes: Seventy-two.

Mr. Mitchell: Seventy-three.

Mr. Holmes: Seventy-four.

Mr. Mitchell: Seventy-five.

Mr. Holmes: You have bought an oil well.

Mr. Bradner: Who was the last bidder, Mitchell?

The Clerk: Mitchell.

Mr. Bradner: Any further or greater bid than \$7,500? Third and last call for the first at \$7,500; third and last call for the second time, \$7,500 for the El Dora (main) lease.

The Court: The bid will be approved unless there is an aggregate higher bid on the whole property.

Mr. Bradner: Now, the El Dora-Smith lease. The bid was by Dick Mitchell for \$3,150. Any further or greater bid on the El Dora-Smith lease? Do I hear any further bid? Apparently no further bid, your Honor.

The Court: It will be approved subject to an aggregate bid being in excess.

Mr. Bradner: The Elk Hills Lease, offer of Hillman-Long \$37,000. Any further or greater bid for the Elk Hills Lease at this time?

The Court: It will be approved with the same condition.

Mr. Bradner: Midway Field Lease to Bishop Oil Company for \$8,200. Any further or greater bid for that at this time?

Mr. Mitchell: \$8,500.

Mr. Bradner: Mitchell bid how much, \$8,500?

The Court: Anybody raise \$8,500?

Bishop Oil Company: \$8,600.

Mr. Mitchell: Eighty-seven.

Mr. Bradner: Mitchell eighty-seven. Any further bid?

Bishop Oil Company: Eighty-eight.

Mr. Mitchell: Eighty-nine.

Bishop Oil Company: Nine thousand.

Mr. Mitchell: Ninety-one hundred.

Mr. Bradner: Mitchell ninety-one hundred. Any further bids? Anybody want to pay more than \$9,100 for the Midway Field property?

The Court: It will be approved to Mr. Mitchell.

Mr. Bradner: Your Honor, we will have to add a little total here in order to see where we are. I make a total of \$105,200. That seems to check with Mr. Wire. Is that the figure you make?

The Court: Yes. The total offer is \$105,200 for all the property which has been bid upon separately. If that total amount for all the property is increased by any bidder by some reasonably material amount, it will be accepted rather than a separate bid for each property. I hear none, so I

will confirm the bids we have. Draw the necessary order, Mr. Bradner.

[Endorsed]: Filed April 15, 1934.

[Endorsed]: No. 9193. United States Circuit Court of Appeals for the Ninth Circuit. F. G. White, Appellant, vs. B. J. Bradner, as Receiver for Lake View Oil and Refining Company, Appellee. Transcript of Record. Upon Appeal from the District Court of the United States for the Southern District of California, Central Division.

Filed May 24, 1939.

PAUL P. O'BRIEN,
Clerk of the United States Circuit Court of Appeals
for the Ninth Circuit.

United States Circuit Court of Appeals

No. 9193

F. G. WHITE,

Appellant,

vs.

B. J. BRADNER, as Receiver for Lakeview
Oil and Refining Company,

Appellee.

STATEMENT OF POINTS ON WHICH APPELLANT INTENDS TO RELY AND PORTIONS OF THE RECORD WHICH APPELLANT THINKS NECESSARY FOR THE CONSIDERATION THEREOF.

POINTS

1. That the Honorable District Court abused its discretion in confirming the sale of the assets of the Lakeview Oil and Refining Company for a grossly inadequate consideration—so gross as to shock the conscience of the Court. .

2. That the Honorable District Court erred in sustaining objections of counsel for the Receiver and the objections of counsel for various purchasers of the property to the effect that testimony as to the value of the assets sold upon a hearing for the confirmation of said sale is incompetent, irrelevant and immaterial.

3. That the Honorable District Court erred in sustaining the contention of counsel for the Receiver and counsel for various purchasers of the

property that the only purpose of the hearing on the confirmation of the sale is to confirm the sale or any higher bid and that unless a higher bid is made, there could be no issue before the Court.

4. That the Honorable District Court abused its discretion and erred in refusing to permit testimony to be introduced by objectors to the confirmation of the sale who represented the directors and stockholders of the corporation, with regard to the value of the properties sold, particularly in view of the offer of objectors to prove that new sands on said properties had been discovered since the last appraisalment thereof which had increased the appraised value from \$150,000.00 to \$2,000,000.

5. That the Honorable District Court erred and abused its discretion, in that the mind of the Court, as announced by the Court prior to its refusal to allow testimony of values to be offered, had been theretofore made up.

PORTIONS OF RECORD RELIED UPON BY
APPELLANT AND WHICH APPELLANT
THINKS NECESSARY FOR A CONSID-
ERATION OF THE ABOVE POINTS.

1. Notice of Appeal. Record, page
[See page 153 of this Printed Record.]

2. Petition of Receiver for confirmation of sale of oil leases and personal property located thereon of Lakeview Oil and Refining Company, excluding exhibit attached thereto. Page 131 of Record.
[See page 105 of this Printed Record.]

3. Order of District Court for hearing on petition of Receiver for confirmation of sale of oil leases and personal property located thereon of Lakeview Oil and Refining Company. Page 138 of Record.

[See page 118 of this Printed Record.]

4. Protest of F. G. White on hearing of petition of Receiver for confirmation of sale of oil leases and personal property located thereon of Lakeview Oil and Refining Company. Page 165 of Record.

[See page 126 of this Printed Record.]

5. Minutes of hearing on Tuesday, December 27, 1938, before William P. James, District Judge, of proceedings at hearing for confirmation. Page 168 of Record.

[See page 129 of this Printed Record.]

6. Order for confirmation of sale of oil leases and personal property located thereon of Lakeview Oil and Refining Company. Page 172 of Record.

7. Objections and proposed amendments to order of confirmation of sale of oil leases and personal property located thereon of Lakeview Oil and Refining Company. Page 185 of Record.

[See page 151 of this Printed Record.]

8. Appellant's designation of contents of record on appeal signed by Thornton Wilson and showing admissions of service. Page 188 of Record.

[See page 154 of this Printed Record.]

9. Reporter's transcript of hearing on Receiver's report and return of sale and petition for confirmation of sale, held on December 27, 1938. Page of Record.

[See page 159 of this Printed Record.]

Dated: May 27, 1939.

Respectfully submitted,

THORNTON WILSON,

Attorney for Appellant.

Docketed.

[Endorsed]: Filed May 28, 1934.

[Title of Circuit Court of Appeals and Cause.]

DESIGNATION OF ADDITIONAL PARTS OF THE RECORD WHICH APPELLEE B. J. BRADNER, AS RECEIVER FOR LAKE VIEW OIL AND REFINING COMPANY, THINKS MATERIAL FOR THE CONSIDERATION OF THE POINTS STATED BY APPELLANT.

The additional parts of the record hereby designated by said appellee are as follows:

1. Appraisal of Ralph J. Reed of Production, Equipment and Refinery (page 9 of Record).

[See page 2 of this Printed Record.]

2. Appraisal of Underground Reserves (page 26 of Record).

[See page 18 of this Printed Record.]

3. Audit of Thomson, Cooper & Thomson (page 60 of Record).

[See page 43 of this Printed Record.]

4. Order approving audit of Thomson, Cooper & Thomson (page 73 of Record).

[See page 68 of this Printed Record.]

5. Petition of Receiver for Order to Sell Leases and Personal Property (page 75 of Record).

[See page 69 of this Printed Record.]

6. Order for Hearing on Petition of Receiver for Order to Sell Leases, etc., (page 82 of Record).

[See page 79 of this Printed Record.]

7. Affidavit of service of Notice of Hearing on Petition to sell Leases, etc., (page 83 of Record).

[See page 80 of this Printed Record.]

Exhibit "A", List of Creditors and Stockholders, attached to said affidavit, but deleting therefrom all names except the name of "Floyd G. White" or "F. G. White", which name is to be printed, and said exhibit as printed to show that other names have been deleted (page 84 of Record). Exhibit "B", Notice of Hearing, attached to said affidavit (page 97 of Record).

[See page 82 of this Printed Record.]

8. Notice of Hearing on Petition to Sell Leases (page 97 of Record).

[See page 82 of this Printed Record.]

9. Order, Minutes, of October 31, 1938, granting petition of Receiver for order to sell leases, etc., (page 99 of Record).

[See page 85 of this Printed Record.]

10. Order for Sale of Oil Leases and Personal Property (page 100 of Record).

[See page 86 of this Printed Record.]

11. Notice of Sale of Oil Leases and Personal Property (page 107 of Record).

[See page 95 of this Printed Record.]

12. Affidavit of service by mailing of Notice of Sale (page 113 of Record). Exhibit "A", list of Creditors and Stockholders, attached to said last mentioned affidavit, but deleting therefrom all names except the name of "Floyd G. White" or "F. G. White", which name is to be printed, and said exhibit as printed to show that other names have been deleted (page 114 of Record). Exhibit "B", Notice of Sale attached to said last mentioned affidavit (page 117 of Record).

[See pages 103-105 of this Printed Record.]

13. Exhibit "A", Description of Property, attached to petition, Receiver's, for confirmation of sale, (which petition without said exhibit has been designated by appellant) (page 137 of Record).

[See page 113 of this Printed Record.]

14. Order of January 13, 1939, fixing time for filing of objections (page 170 of Record), together with Affidavit of service of said last mentioned Order (page 171 of Record).

[See page 133 of this Printed Record.]

15. Designation of Contents of Record on Appeal, appellee's (page 189 of Record).

[See page 155 of this Printed Record.]

Note: Exhibit "B" designated in No. "7", is a copy of the Notice of Hearing designated in No. "8". Duplication is probably unnecessary if some proper reference can be made. Same is true as to Notice of Sale designated in No. "11" and Exhibit "B" designated in No. "12".

BRADNER AND WEIL,
By JEROLD E. WEIL,
Attorneys for said Appellee.

AFFIDAVIT OF SERVICE BY MAIL

(C. C. P. 1013a)

(Must be attached to original or a true copy of
paper served)

No. 9193

State of California
County of Los Angeles—ss.

Yonda Salter, being duly sworn, says, that affiant is a citizen of the United States, over 18 years of age, a resident of Los Angeles County and not a party to the within action.

That affiant's business address is 1120 Rowan Building, Los Angeles, California. That affiant served a copy of the attached Designation of additional parts of the record which appellee B. J. Bradner, as Receiver for Lake View Oil and Refining Company, thinks material for the consideration of the points stated by appellant, by placing said copy in an envelope addressed to Thornton Wil-

son, Esq., at his office address, which is Central Bank Building, Oakland, California, which envelope was then sealed and postage fully prepaid thereon, and thereafter was on June 8, 1939, deposited in the United States Post Office at Los Angeles, California. That there is delivery service by United States mail at the place so addressed, or regular communication by United States mail between the place of mailing and the place so addressed.

YONDA SALTER.

Subscribed and sworn to before me June 8, 1939.

[Seal] B. J. BRADNER,

Notary Public in and for the County of Los Angeles,
State of California.

[Endorsed]: Filed Jun. 9, 1939.

